



# ANNUAL REPORT

SCHIBSTED MEDIA GROUP 2014



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# THIS IS SCHIBSTED MEDIA GROUP

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Our strategy of becoming a global leader within our chosen fields is a bold one. It consists of three elements that work seamlessly together: Online Classifieds, Growth and Media Houses.

## ONLINE CLASSIFIEDS

We aim to be a global leader in online classified marketplaces and offer our users the best possible solutions and services.

## GROWTH

We invest in great entrepreneurs and help scale their businesses locally and internationally by leveraging the Schibsted ecosystem.

## MEDIA HOUSES

We are building world-class digital media houses that will shape the media landscape for years to come.

## ENGAGING MORE THAN 200 MILLION PEOPLE WORLDWIDE

From Mexico to Malaysia, from Brazil to Norway – millions of people interact with Schibsted companies every day.

We are meeting our customers' needs with our ever-expanding range of smart products and services. Schibsted is becoming increasingly international, and we're not standing still. We're moving forward. Fast.

We ensure that new and old sofas can be sold. News reports are read and watched when, where and how consumers want. Weather reports are checked with quick online services. Carpenters are found through a couple of clicks. TV viewing is planned. Maps and routes are checked.

Job seekers and employers are connected. Deals are made. Old cars find new owners. Prices are compared. And the latest fashion is browsed...these are just some of the ways our services empower people in their daily life. All around the world.

Our international reach requires that we understand and are sensitive to the diversity of our customers and companies. We are committed to constantly innovating and improving our services to meet the needs of people all around the world. Today and tomorrow.

## 175 YEARS OF INNOVATION AND ENTREPRENEURSHIP

2014 marked Schibsted's 175th anniversary. What began in 1839 as a small publishing company founded by Christian Schibsted has evolved into an international organization with interests in a wide range of areas. We've come a long way – and Schibsted Media Group continues to move forward. Fast.

## Online Classifieds

### ESTABLISHED PHASE

- Norway: Finn.no
- Sweden: Blocket.se, Bytbil.com
- France: Leboncoin.fr
- Spain: Coches.net, Fotocasa.es, Segundamano.es, Milanuncios.com, InfoJobs.net
- Italy: Subito.it
- Austria: Willhaben.at
- Hungary: Hasznaltauto.hu
- Malaysia: Mudah.my
- Ireland: Done Deal

## INVESTMENT PHASE

- Wholly-owned online classifieds sites in Germany, Finland, Belgium, Portugal, Romania, Mexico, Colombia, Malaysia, Poland, Belarus, Morocco, Vietnam and England
- Online classifieds sites owned through joint ventures in Brazil, Chile, Indonesia, Thailand, Bangladesh, Switzerland, The Philippines, Singapore and Pakistan

## Media Houses

### SCHIBSTED NORGE

- VG media house (online and single-copy print newspapers)
- Subscription-based media houses (Aftenposten, Bergens Tidende, Stavanger Aftenblad, Fædrelandsvennen)
- Schibsted Growth
- Other activities (primarily printing, distribution and book publishing)

### SCHIBSTED SVERIGE

- Aftonbladet media house (online and single-copy print newspapers)
- Svenska Dagbladet (subscription-based media house)
- Schibsted Growth (focused on online personal finance, price comparisons, online coupons and online directories)

# TO THE NEXT LEVEL



For Schibsted Media Group, 2015 will be characterized by three important issues: our media houses will continue their digital transformation; our classifieds business, including our joint ventures with Naspers, will develop further; and we will take a big step up in technology. Together, this will take us to the next level.

Looking back on the past year, I'm proud to see so many excellent achievements in our companies and in the Group.

Schibsted has a mission of "Empowering people in their daily life", and we have fulfilled that promise with numerous product improvements and innovations all across our business areas. To mention just a few: Leboncoin launched an automated ad reviewing tool, thereby saving costs on manual ad reviews and at the same time minimizing fraud for our users. Blocket's excellent environmental report showed the enormously positive recycling benefits for

the environment. We're leading the way in mobile development of the classifieds market, benefitting a huge number of new consumers. And our media houses continue to win prizes for high-quality journalism and digital development while growing their audiences simultaneously.

And for the first time, we launched our own Future Report, sharing our insights in technology, trends and media. This is a good example of "Empowering people" in practice! Find out more at [schibstedfuturereport.com](http://schibstedfuturereport.com).

## Exciting joint ventures in Online Classifieds

At the turn of the year, the Schibsted, Naspers, Telenor and SPH joint ventures for online classifieds in four key markets – Brazil, Indonesia, Thailand and Bangladesh – were formally established. These joint ventures will bring substantial benefits to consumers, who will be able to buy and sell goods in better, more comprehensive marketplaces. They will also enable the companies to more efficiently share costs, expertise and people, while building awareness about vibrant online classifieds offerings to consumers. By joining forces, we will be well placed to develop our marketplaces even more efficiently.

We have our strongest positions in Europe, holding leading positions in countries like Norway, Sweden, France, Ireland, Spain, Austria and Italy. Going forward, it is vital that we continue to develop and consolidate these positions.

I'd also like to mention Spain in particular. We now have ownership of many leading sites in Spain, such as Segundamano, Infojobs, Coches and Fotocasa. In addition to that, we've acquired the exciting company Milanuncios. We have a clear vision for and commitment to the Spanish market, and we see it as a key country for future growth.

## World-class digital media houses

It is fair to say that 2014 was also challenging for us in many ways. The severe decline in print advertising continues in the media

houses, and is expected to do so in 2015. Of course, this came as no surprise to us. We've been working very hard for several years to build the digital media houses of the future. I'm pleased with what we've achieved so far, but I also think it wise to be realistic and to realize that a lot of work still remains.

In the midst of this transformation, we still continue to produce great journalism! In April, Bergens Tidende won the Skup award for "Jannes story". VG won numerous awards for their coverage of the chess world championship, and Aftonbladet launched the viral success site Lajkat.se. Aftonbladet also broke new and historic ground with its coverage of the traditional "Party leaders debate" on web TV. And Aftenposten shocked politicians and ordinary citizens alike with its revelations about mobile surveillance in downtown Oslo, a powerful story that is bound to have repercussions.

## A step up in technology

In recent years, users have changed behavior at a faster pace than ever before. They consume media in new ways and across

platforms, they expect online services to follow them seamlessly, they expect services not only to know them but also to anticipate their needs. They seek one-click solutions and immediate response, and have become more qualified and adept as digital consumers, expecting only the best from us.

Better technology will allow us to deliver services that help people in ways they never dreamed possible. The new game of logged-in users, data analytics, and sophisticated technology requires us to have global scale infrastructure and expertise – but it also requires local strength and consumer knowledge. Only by being sufficiently present in our users' daily lives can we actually be able to fully understand and anticipate their needs and interests. In the years to come we will move towards offering our users a seamless experience between all our sites, across all devices, with useful and relevant personalization.

To meet these challenges, we're coordinating our efforts and investing heavily in technology, such as building new global platforms for our media houses, online marketplaces and digital advertising. This will increase our capability for swift

innovation and make us more agile in adapting to the constantly changing needs of our users.

As you can see, we've accomplished some great things – and we're doing it as we speak. But we're not done. It's now time for us to move to the next level. We need to be daring and we need to solve some really tough issues. We need to change even more to adapt to the future. While doing so, we must make sure we retain the best of our culture – the drive, the heart and the innovative spirit – and combine it with world-class technology. Only then can we view ourselves as a company that brings its users the very best experiences and that truly contributes to "Empowering people in their daily life".



ROLV ERIK  
RYSSDAL

*Rolv Erik Ryssdal*  
CEO  
Schibsted Media Group

# KEY FIGURES

(NOK million)	2014	2013 Restated	2012 Restated	2011	2010
Operating revenues	14,975	14,870	14,763	14,378	13,768
Operating expenses	(13,034)	(13,093)	(12,754)	(12,232)	(11,605)
Income from associated companies			34	39	36
<b>Gross operating profit (EBITDA)</b>	<b>1,941</b>	<b>1,777</b>	<b>2,043</b>	<b>2,185</b>	<b>2 199</b>
Depreciation and amortisation	(467)	(476)	(479)	(505)	(588)
Share of profit (loss) of joint ventures and associated companies	(841)	(123)			
Impairment loss	(131)	(150)	(548)	(191)	(110)
Other revenues and expenses	8	647	(287)	(50)	1,909
<b>Operating profit</b>	<b>510</b>	<b>1,675</b>	<b>729</b>	<b>1,439</b>	<b>3,410</b>
<b>Profit (loss) before taxes</b>	<b>382</b>	<b>1,490</b>	<b>620</b>	<b>1,331</b>	<b>3,399</b>
Gross operating margin (EBITDA) (%)	13	12	14	15	16
Equity ratio (%)	38	46	40	41	42
Net interest bearing debt/EBITDA	11	0.6	0.7	0.8	0.8
Earnings per share (NOK)	(1.67)	9.43	1.32	7.00	27.04
Earnings per share - adjusted (NOK)	(1.46)	3.90	8.18	8.76	9.72
Diluted earnings per share (NOK)	(1.67)	9.42	1.32	6.99	27.01
Cashflow from operating activities per share (NOK)	11.46	6.67	11.91	15.24	18.78
<b>ONLINE CLASSIFIEDS</b>					
Operating revenues	4,741	4,184	3,647	3,198	
Gross operating profit (EBITDA)	1,402	992	1,100	993	
Gross operating margin (EBITDA) (%)	30	24	30	31	
<b>SCHIBSTED NORGE MEDIA HOUSE (Norway)</b>					
Operating revenues	6,217	6,338	6,485	6,529	
Gross operating profit (EBITDA)	537	723	772	926	
Gross operating margin (EBITDA) (%)	9	11	12	14	
<b>SCHIBSTED SVERIGE MEDIA HOUSE (Sweden)</b>					
Operating revenues	3,762	3,720	3,538	3,611	
Gross operating profit (EBITDA)	385	354	429	445	
Gross operating margin (EBITDA) (%)	10	10	12	12	
<b>MEDIA HOUSES INTERNATIONAL</b>					
Operating revenues	131	489	939	1,004	
Gross operating profit (EBITDA)	(35)	4	(3)	38	

## DEFINITIONS

EBITDA margin  
Equity ratio  
Earnings per share  
Diluted earnings per share  
Cash flow from operating activities per share

Gross operating profit (loss) /Operating revenues  
Equity / Total assets.  
Profit (loss) attributable to owners of the parent / Average number of shares outstanding.  
Profit (loss) attributable to owners of the parent / Average number of shares outstanding (diluted).  
Cash flow from operating activities/Average number of shares outstanding.



# BOARD OF DIRECTORS' REPORT 2014



OLE JACOB SUNDE  
Chairman of the Board

Schibsted is developing into a technology-based, global media company. We have made important advances in this direction over the past year, and we have much to do in the years to come. We have the important building blocks needed for this journey within our current business units; online classified ads, publishing, and growth.

Online classifieds is currently the star performer in our portfolio. The agreement with Naspers will improve our business opportunities in key emerging markets. In 2015, we will focus on further improving our positions in Europe.

Publishing is meeting harsh market conditions. The migration from print to digital platforms is old news. So is the rapid decline of advertising revenues. Expenditure is shifting away from traditional mass marketing to targeted, personalized messages. This is part of a larger trend whereby web users move from being anonymous to being identified and logged in.

Schibsted approaches these changes head-on. We believe it is better to drive change rather than be driven by it. As a result, we are investing heavily in developing our capacity to process and analyze data. We will expand our tech hubs in Oslo, Stockholm, Krakow and Barcelona and establish a new hub in London. Our ambition is to deliver outstanding value to our users as well as to our advertisers.

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We recognize that this ambition will require a new mindset. Just as ink and the printing press were the tools of traditional media, so must technology and data science become our everyday business tools; and we will need to master them to meet the challenge from global competitors.

Our advantage is that collectively, our many sites – particularly in Norway and Sweden – provide us with rich information to feed our datasets. These data will enable us to produce superior services to our many users. Collection and storage of digital identities are attracting increased attention in Europe. In Schibsted, we will collect and store personal data in an accessible, transparent, and secure manner. As a news organization, we are used to handling personal data with respect.

Schibsted owes its success to extraordinary people with unique skills, talent, and diverse backgrounds working within a rewarding entrepreneurial culture. The combination of effort, flexibility, and dedication that has brought the Group to where it is today is commendable. The personal and professional development of our employees and the recruitment of the best new talent are paramount to taking Schibsted to the next level. We can offer them a unique combination of strong, entrepreneurial teams and a long history of contributing to society.

Schibsted's services make an impact. Our news sites scrutinize power and enable people to engage in matters that affect their lives. Our marketplaces support recycling and eco-friendly trade. Our innovative growth services help people make smarter choices. Schibsted empowers the digital user. In 2015, we will continue our quest of "Shaping the media of tomorrow. Today".

## HIGHLIGHTS IN 2014

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Schibsted Media Group has during 2014 continued to fulfill its ambitions building global leadership in online classifieds as well as world-class digital media houses.

The online classifieds operations have strengthened their positions in 2014 through solid growth in revenues and profits in our established markets and through significant growth in traffic and user engagement in early stage markets. The agreement to form joint ventures with Naspers in several emerging markets significantly increases the chances of success in these geographies.

Our media houses have grown significantly online. The media houses have been able to slow the decline in circulation as a result of the launch of new, attractive online/print bundled products. The industry-wide decline in print advertising revenues has led to negative pressure on profit margins for the media houses overall.

- The Group achieved operating revenues of NOK 14,975 million; a growth of 1 percent.
- Gross operating profit (EBITDA) grew from NOK 1,777 million to NOK 1,941 million.
- Online share of revenues grew to 54 percent compared to 47 percent in 2013.
- Online classifieds share of EBITDA of 62 percent, up from 44 percent in 2013.

### A global leader in online classifieds

- Revenue growth of 19 percent in SCM. 13 percent growth including Finn.no.
- Continued high rate of growth and solid profit margins in Leboncoin.fr.
- Successful refocusing on traffic growth for Spanish operations, which were further strengthened by the acquisition of Milanuncios, the largest classifieds site in Spain.
- Joint ventures established with Naspers in four key emerging markets, including Brazil. This will speed up the development towards profitability and reduce the investments required. The agreement increases the chances of establishing clear market-leading positions both in the joint venture markets and in certain other markets where parties are buying each other's operations.
- Strong growth in traffic and user engagement for Finn.no after adopting a freemium strategy for private miscellaneous.
- Good growth in Sweden, supported by investments in new verticals real estate and jobs.
- Continued improvements with significant growth in traffic and revenues in markets like Italy, Austria and Ireland.
- Significantly improved market position in early stage Investment phase markets like Mexico, Chile and Vietnam.
- Good traction in Germany for mobile only-classifieds app Shpock.

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## Building world-class digital media houses

- The significant structural changes in the industry continued, with print advertising declining 20 percent and online advertising growing 8 percent. Mobile was a key driver of digital growth, whereas web TV contributed increasingly.
- Total EBITDA margin for media houses 9 percent (10%).
- Solid performance for single-copy newspapers VG and Aftonbladet, driven by online growth and increased cover prices for the print newspaper.
- Increased circulation revenues for subscription-based newspapers in Norway after successful introduction of digital payment solutions and bundled subscriptions. Some EBITDA margin decline as a result of rapid print advertising decline.
- Schibsted Growth initiatives, particularly within digital personal finance services, continued its growth in Sweden and Norway.

## Strengthened focus on technology and product development

- Established a central technology and product developing unit with the aim to build common tech platforms for both media houses and classifieds, for advertising and login services.
- The aim is to increase efficiency in the development process, the speed of roll out and quality of new services and free up time and resources for innovation and true product development.

The Board proposes allocating a dividend of NOK 3.50 (3.50) per share for the 2014 financial year.

# ANALYSIS OF THE 2014 FINANCIAL STATEMENTS

Schibsted Media Group presents its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as approved by the EU. Implementation of IFRS 10–12 are applied retrospectively from 1 January 2013 and comparable figures for 2013 have been restated.

SCHIBSTED MEDIA GROUP (NOK million)	2014	2013*
Operating revenues	14,975	14,870
Operating expenses	(13,034)	(13,093)
<b>Gross operating profit (EBITDA)</b>	<b>1,941</b>	<b>1,777</b>
Depreciation and amortisation	(467)	(476)
Share of profit(loss) from joint ventures and associated companies	(841)	(123)
Impairment loss	(131)	(150)
Other income and expenses	8	647
<b>Operating profit</b>	<b>510</b>	<b>1,675</b>
<i>Gross operating profit (EBITDA) margin</i>	<i>13 %</i>	<i>12 %</i>
<i>Gross operating profit (EBITDA) ex. SCM Investment phase</i>	<i>2,444</i>	<i>2,647</i>
<i>Gross operating profit (EBITDA) margin ex. SCM Investment phase</i>	<i>16 %</i>	<i>18 %</i>
<b>SCM Investment phase</b>	<b>(503)</b>	<b>(870)</b>

\* Restated

Operating revenues reported for the Group increased by 1 percent from 2013 to 2014. The increase in revenues stems from good growth within the Group's online classifieds as well as from digital media within the media houses.

The online classifieds segment had a growth in operating revenues from 2013 to 2014 of 13 percent. The most important growth driver was Leboncoin.fr. The top line is hampered by a weak Spanish economy and a reduced monetization to build traffic. The growth in operating revenues for SCM, the operations outside Norway, was 19 percent. The Norwegian market-leading online classifieds site Finn.no reported a reduced growth rate due to the decision to turn the private miscellaneous market place into a freemium model and to the market-driven slowdown in recruitment ads.

Advertising revenues (including online classifieds) increased by 1 percent from 2013 to 2014. The structural migration from print to online caused advertising revenues from print to decrease by 20 percent. Online newspaper advertising had a growth of 8 percent, while advertising revenues from online classifieds increased by 10 percent.

Changes in readership habits and acceleration in the speed of transition to digital media

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have, as in previous years, led to a considerable decline in circulation volumes of the single-copy newspapers VG and Aftonbladet. This decline was to a large extent compensated by price increases, and total single-copy circulation revenues fell by 5 percent. The subscription newspapers were able to slow down the subscription volume decline through the launch of attractive online and print/online bundled subscriptions. Underlying circulation revenues from newspaper subscriptions increased by 5 percent.

The Group's total operating expenses experienced a reported decline of 1 percent. In order to capture opportunities in the market and to build number-one positions, Schibsted is investing significant amounts in the launch of online classifieds in new markets, based on Blocket technology. The projects are characterized by a short development phase and active marketing in order to build market positions and future growth. In 2014, the investment, defined as gross operating loss (EBITDA) for the operations in Investment phase, was NOK 1,306 million. Of this, NOK 503 million affected the gross operating profit negatively. The remaining NOK 803 million was incurred in joint ventures, and is under IFRS reported on a net result basis (the equity method), included in net operating profit (EBIT). In addition, Schibsted has incurred significant costs related to digital competence and technology, such as Schibsted Payment ID (SPiD), advanced data analytics, mobile platforms, and web TV. The Group continuously works on adapting the cost base in the media houses to market trends. Significant cost reductions have been made to the print editions in 2014, and this focus will be maintained going forward.

The impairment loss of NOK 131 million (NOK 150 million) is a result of negative trends in certain markets. The losses in 2014 were mainly related to tangible assets in the printing operations. In 2013 the loss was mainly related to the Group's 35 percent ownership interest in Metro Nordic Sweden AB.

Other income and expenses in 2014 were net NOK 8 million (NOK 647 million). On the positive side, the Group achieved a net gain on disposal of real estate and minor subsidiaries. On the negative side, the Group also incurred restructuring costs relating to cost reductions in the media houses.

In February 2014 Schibsted agreed to acquire Milanuncios.com, which over the last few years has gained a significant position in Spain. This reinforces Schibsted's position as a clear market leader in the Spanish online classifieds market. The founder of Milanuncios received proceeds of EUR 50 million in cash and 10 percent of the shares in the combined Schibsted Classified Media Spain (excluding 20 Minutos). The acquisition was examined by the Spanish competition authorities and finally approved in December 2014 on the condition that SCM Spain implements a temporary remedy to meet the concerns the CNMC had regarding the market shares in the professional part of the motor market in Spain.

In November 2014 Schibsted, together with our partners Telenor and Singapore Press

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Holdings, agreed with Naspers to merge operations of online classifieds platforms in four key markets: Brazil, Indonesia, Thailand and Bangladesh. The transaction will bring substantial benefits to consumers. Combining the platforms will make it faster and easier than ever for people to trade and turn their items into cash. They will be able to choose from a wider selection of items and be more successful in selling their own items to a larger audience of buyers. By coming together, the businesses would also be able to share costs, expertise and people to more effectively build awareness of the benefits of a vibrant online classifieds offering to consumers. The transactions closed on 9 January 2015 after all conditions precedent had been satisfied.

## Underlying development

Underlying growth in revenues (adjusted for currency effects, acquisitions and divestments, and joint ventures are included using proportionate consolidation) was 9 percent for Online classifieds in 2014. The Online classifieds operations outside Norway grew 14 percent underlying.

Schibsted Norge Media House and Schibsted Sverige Media House had both an underlying decline in revenues of 2 percent in 2014. Media Houses International had an underlying decline in revenues of 5 percent in 2014 as a whole.

The Group increased its revenues by 1 percent, underlying.

Underlying development of Schibsted's operating expenses was +7 percent in 2014.

In total, currency effects affected Schibsted's 2014 operating revenues positively by NOK 250 million in 2014. The operating expenses were increased by 189 million through currency changes.

## Events after the reporting period

In November 2014 Schibsted, Naspers, Telenor and Singapore Press Holdings (SPH) agreed to establish joint ventures for the development of their online classifieds platforms in four key markets - Brazil, Indonesia, Thailand and Bangladesh. The ownership structure in the joint ventures will be as follows: Brazil: 50% Naspers and 50% SnT Classifieds, Indonesia: 64% Naspers and 36% 701 Search, Thailand: 55.9% 701 Search and 44.1% Naspers and Bangladesh: 50.3% SnT Classifieds and 49.7% Naspers. SnT Classifieds is an equal shareholding joint venture between Schibsted and Telenor and 701 Search is an equal partnership joint venture amongst Schibsted, Telenor and SPH. As part of the agreement, 701 Search will transfer its online classifieds business in the Philippines to Naspers, who will manage the operation. In certain other markets in Latin America and Asia Schibsted, SnT Classifieds and 701 Search, respectively, acquire Naspers' operations. At the same time, Naspers acquires the operations of Schibsted, SnT Classifieds and 701 Search in certain other markets. Schibsted expects that the transaction will result in a gain in the

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range of NOK 400-500 million. The transaction is not expected to have any significant tax effects, and it is cash neutral. The relevant transactions were closed in January 2015 and the joint ventures were then established.

In March 2015, Schibsted disposed of its 76% interest in Aspiro AB after accepting a public offer from Project Panther Bidco Ltd, a company controlled by S. Carter Enterprises LLC, to acquire Aspiro AB. The offer was declared unconditional on 13 March 2015. Schibsted's interest in Aspiro AB was held by Streaming Media AS, a subsidiary in which Schibsted holds a 74.62% interest. A gain of approximately NOK 200 million is expected to be recognized from the disposal.

Schibsted and Naspers reached in February 2015 an agreement whereby Schibsted acquires Naspers OLX operation in Hungary. Including the leading car vertical Hasznaltauto.hu, Schibsted will be the clear online classifieds market leader in Hungary after the transaction. At the same time, Naspers acquires Schibsted's online classifieds operations in Romania and Portugal. The Hungarian and Romanian transactions have been completed while completion of the transaction in Portugal is subject to clearance by the competition authorities in the country. The three transactions are cash neutral.

On 12 February 2015 Schibsted agreed to divest its 50 percent of the online classifieds operations in Switzerland (Tutti.ch and Car4You.ch) to the existing partner Tamedia. Schibsted receives a consideration of EUR 15 million and an earn-out subject to financial KPIs by 2018 of maximum CHF 12.5 million. The transaction is subject to approval of the Swiss Competition Commission.

## Balance sheet

At year-end 2014, the Group had total balance sheet assets of NOK 17.9 billion (NOK 16.5 billion). Non-current assets constitute the largest component at NOK 14.3 billion (NOK 12.7 billion). The carrying amount of the Group's goodwill and other intangible assets was NOK 11.9 billion (NOK 10.2 billion).

The carrying amount of the goodwill and intangible assets with indefinite life was tested as at 31 December 2014. No significant impairment charges were made in 2014 or 2013 regarding goodwill or other intangible assets with indefinite life.

Schibsted's holding of treasury shares, acquired under current authorization from the Annual General Meeting to increase the number of treasury shares to maximum 10,800,361 during a period of 12 months, was reduced from 655,075 shares to 582,218 shares during 2014. The decrease is a result of shares sold and transferred to employees in connection with various incentive programs.

## Liquidity

As of 31 December 2014, Schibsted's net interest-bearing debt was NOK 2.1 billion, compared to NOK 1.1 billion as of 31 December 2013.

One of the loans from Eksportfinans (EUR 25 million) was repaid at maturity in January. In April, Schibsted successfully completed issuance of NOK 600 million in the Norwegian bond market. The loan was received 6 May and maturity is in May 2021. The floating rate note is priced at 3 months NIBOR + 110 basis points. In June, one of the NIB loans was repaid at maturity. The EUR 325 million revolving credit facility, with maturity in August 2015, was refinanced in July and replaced by a new long-term loan facility of EUR 300 million. The new facility has a term of 5 years with two extension options of one year each. In addition to this facility, Schibsted has a further EUR 125 million credit facility maturing in March 2018. At year-end 2014, none of the facilities were drawn.

Schibsted's revolving credit facilities and bank loans are subject to financial covenants linked to the ratio of net interest-bearing debt to gross operating profit (EBITDA). This ratio was 1.07 at the end of 2014 and is well within the financial covenant.

The Group's liquidity reserve consists of long-term unutilized revolving credit facilities and cash reserves, and amounted to NOK 4.6 billion at year-end. This gives a liquidity reserve of 31 percent of annual revenues.

## Cash flows

Net cash flow from **operating activities** amounted to NOK 1,230 million for the year 2014, compared to NOK 716 million in 2013. The increase in net cash flow is mainly related to improved change in working capital and increase in gross operating profit.

Net cash flow from **investing activities** was NOK -1,580 million for the year 2014, compared to NOK 471 million in 2013. The Group has invested NOK 630 million (NOK 520 million) in fixed and intangible assets. The increase is mainly related to renovation of office premises in connection with co-location of VG and Aftenposten in Oslo. Proceeds from sales of fixed and intangible assets, mainly related to sales of office buildings, amount to NOK 375 million (NOK 343 million). Net payments related to business combinations were NOK 532 million (NOK 258 million). Payments related to investments in other shares came to NOK 835 million (NOK 116 million). The majority of the investments in other shares are related to capital contributions to lossmaking joint ventures and associates.

Net cash flow from **financing activities** was NOK -116 million for the year 2014, compared to NOK -1,116 million in 2013. Dividends paid to shareholders of Schibsted ASA and non-controlling interests amount to NOK 509 million (NOK 433 million). Net change of interest

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bearing debt totaled NOK 512 million (NOK -230 million) and net cash payments from changes in ownership interests amount to NOK -150 million (NOK -478 million).

## Research and development activities

Schibsted's vision is "Shaping the media of tomorrow. Today." To achieve this, we have to constantly innovate and improve. This is done systematically across business areas, whether it is media houses or online classifieds. Schibsted Media Group invests substantial resources in improving and developing products for new platforms and markets.

In 2014 significant resources have been allocated to establishing a central organization for joint development of services and technology. The backdrop for this decision is the increasing globalization of the competition in the online sector and the move towards more identity-driven products. This makes it critical to create more targeted advertising and end-user products and to develop our products faster and more efficiently. By centralizing a larger part of the core development, the intention is to free up capacity in the operational units for new product development.

Innovation has always been an important part of the DNA of Schibsted Media Group and its organizations and companies. "We are innovative" is one of our four core values. Given the challenges posed by the digital transformation and rapidly changing market conditions, innovation will be an even more important tool for future growth. Schibsted Media Group is recognized as one of the most innovative media companies in the world. Constant innovation is key in order to maintain this position. To emphasize the importance of innovation in Schibsted, innovation awards in two categories were presented for the fourth year running.

The New Business Innovation Award 2014 was awarded to Aftenposten (Norway) for the development and launch of the mobile app Aftenposten+. Aftenposten+ captures the needs of a "lean-back" user experience, giving its brand a fresh and modern look. The product is clearly based on Aftenposten's core brand values, at the same time as it differs from other products in a way that leads to strong customer value. The other finalists were Blocket.se for its redesign of the real estate section and Aftonbladet/Politism for the launch of the political affairs site Politism.se.

Leboncoin (France) won the Core Business Innovation Award 2014 for its development of Serenity. Serenity improves the customer experience by making the review process much faster, at higher quality, and without fraud. It represents a true innovation right at the core of our classified businesses. It is the first time in Schibsted Media Group that a robot is able to make decisions on its own, lifting the automated reviewing process to new levels.

All the Group's companies are making continuous efforts to further develop existing products and to develop products that will provide new revenue flows. Expenditure related to the development of intangible assets is normally charged to the profit and loss statement because from an accounting perspective the requirement to demonstrate future economic value will normally not be met.

## ANALYSIS OF MARKET RISK

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Schibsted is operating in an industry that is subject to constant change. Our ambition, underpinned by our business model and strategy, is to remain resilient in the face of the constant game-changing disruption through innovation and continuously challenging ourselves to improve.

Schibsted's advertising revenues are to a certain extent affected by cyclical developments in real economy figures, notably GDP growth, unemployment rates, and consumer confidence. The Group's advertising revenues from the recruitment market and, to a lesser extent, the real estate market and display advertising, are the revenue streams most exposed to cyclical. In 2014 the Group's advertising revenues amounted to 59 percent (59 percent) of total revenues. In total, five percent of Schibsted's revenues come from recruitment advertising, of which 81 percent is digital. Most of these revenues come from the print newspapers in Schibsted Norge, InfoJobs Spain, and Finn.no. Most of the future growth is expected to come from consumer-oriented classifieds services such as Blocket and Leboncoin. These revenues are considered to have a relatively low degree of cyclicity.

The Group's revenues from the print newspapers are impacted by structural changes in media consumption, resulting in accelerated migration from print to digital consumption. Moreover, the Group is facing structural changes in the digital advertising market as advertising revenues follow the user consumption patterns from print to digital platforms. The Group's ambition is to proactively address and reduce the impact of these risks, and the key focus areas in the Group's strategy contribute to achieving this. Examples of action taken by the Group are the implementation of user payment systems in all media houses and proactive efforts towards building a position in web TV. The Group is increasing its efforts in joint development of platforms for media houses and online classifieds as well as advertising technology and analytics is another important measure.

As a global player in an industry subject to technology developments that advance at an increasingly rapid pace, the Group is exposed to potential competition from disruptive players, technology or business models. The classifieds operations also face a competitive environment in several markets. Strategic initiatives such as the Group's commitment to technology and innovation, and to diversification of revenue streams from the media houses, online classifieds, and the growth companies, are all aimed at reducing the impact of this risk. Additionally, in order to mitigate and diversify risk and seize opportunities in online classifieds operations in emerging markets, Schibsted signed a new partnership with Telenor, Singapore Press Holdings and Naspers in 2014. The transaction was closed in January 2015.

Schibsted has Norwegian krone (NOK) as its basic currency, and through its operations outside Norway is exposed to fluctuations in the exchange rates of other currencies. Schibsted has exchange rate risks linked to both balance sheet monetary items and the translation of investments in foreign operations. The Group makes use of loans in foreign currencies and financial derivatives (forward contracts and cross-currency swaps) to reduce its foreign exchange exposure. The loans in foreign currencies and financial derivatives are managed actively in accordance with the Group's financial strategy in order to reduce the currency risk.

Exchange rate fluctuations may affect the ratio of net interest-bearing debt to gross operating profit (EBITDA). A general 10-percent depreciation of NOK will increase the Group's net

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interest-bearing debt by around NOK 205 million as of 31 December 2014 and will cause a change in the ratio of net interest-bearing debt to EBITDA of around 0.1.

Virtually all of the Group's debt as at 31 December 2014 was subject to a variable interest rate. Thus, both interest bearing debt and cash balances are affected by changes in interest rates. A general change of one percentage point in the variable interest rate will change Schibsted's net interest expenses by approximately NOK 21 million.

Schibsted uses newsprint and is therefore exposed to price fluctuations in the paper market. A one-percent change in price alters the Group's raw material costs by around NOK 5 million per year. The price of newsprint in Norway, Sweden and Spain is negotiated with suppliers each year.

At the end of 2014, the Group had limited exposure to the stock market and therefore less risk of losses.

Account receivables are diversified through a high number of customers, customer categories, and markets. Account receivables consist of a combination of prepaid subscriptions or advertisements and sales invoiced after delivery of the product. The credit risk posed by some receivables (prepaid subscriptions and payments made by credit card on purchase date) is minimal, while for other receivables it is higher. Credit risk will also vary across the countries in which we operate. Credit insurance is also used to some extent. Overall, the credit risk is considered low.

Robust public structures and support to the media business have been instrumental in securing media diversity and a public arena for opinion and debate in Norway. Now, in the midst of the digital transformation, such structures and support are more important than ever. Schibsted is therefore working actively to influence the government's media policy together with Mediebedriftenes Landsforening (the Norwegian Media Businesses' Association) and other participants.

Schibsted's view is that the new government signals changes that will modernize the country's media policy and align it with the challenges faced by the media industry today.

The media ownership regulations will be handled by one public authority (Konkurransestilsynet/Competition Authority).

A thorough review of the scope of the public service broadcaster NRK will be conducted in order to limit the possibility of its superior economic power inadvertently weakening operative and financial opportunities for other media channels.

In the digital transformation, it is important to uphold the zero VAT rate on printed news, and also to extend it to digital platforms. The Norwegian government has now put this question before the EFTA Surveillance Authority (ESA). Schibsted hopes the matter will be concluded as soon as possible and results in zero VAT both on print and digital news, thereby stimulating both digital product innovation and digital news consumption.

Schibsted continues to participate in and closely follow the ongoing process and debate on media policy.

# OPERATING SEGMENT ANALYSIS

## Online classifieds

ONLINE CLASSIFIEDS (NOK million)	2014	2013*
Operating revenues	4,741	4,184
Gross operating profit (EBITDA)	1,402	992
<i>Gross operating profit (EBITDA) margin</i>	<i>30 %</i>	<i>24 %</i>
Gross operating profit (EBITDA) ex investment phase	1,905	1,862
<i>Gross operating profit (EBITDA) margin ex. SCM Investment phase</i>	<i>41 %</i>	<i>46 %</i>
Gross operating profit (EBITDA) investment phase	(503)	(870)

\* Restated

Schibsted has market leading, profitable positions in the online classifieds markets in Norway, Sweden, France, Spain, Italy, Ireland, Austria, Malaysia and Hungary. This business area also includes online classifieds sites in several early stage markets; both fully owned and through joint ventures.

### MAIN FEATURES IN 2014:

- The online classifieds developed strongly in most markets in 2014, and Schibsted focused on creating further growth through innovation and product improvement alongside continued investments in less developed markets.
- This operating segment had a growth of 13 percent in operating revenues in 2014. The top line is hampered by the weak Spanish economy combined with the decision to reduce monetization and focus on traffic growth in Spain. Also, the soft development in the Norwegian recruitment market together with Finn.no's decision to turn the private generalist market to a freemium model affected the growth rate negatively. The investments in new ventures, defined as gross operating loss (EBITDA) for the Investment phase operations increased from NOK 1,000 million in 2013 to NOK 1,306 million in 2014. Of this, NOK 503 million affected the consolidated EBITDA, whereas NOK 803 million was incurred in joint ventures and was reported on one line, not included in EBITDA.
- Excluding investment phase operations, online classifieds had an EBITDA margin of 41 percent (46 percent). Focus on traffic growth and new verticals in markets like Norway, Spain and Italy had a negative effect on the margin.
- A joint venture agreement with Naspers was announced in November 2014. The agreement increases the chances of establishing clear market-leading positions both in the joint venture markets of Brazil, Indonesia, Thailand and Bangladesh, and in certain other markets where parties are buying each other's operations. The transaction was closed in January 2015.
- In February 2014 Schibsted agreed to acquire Milanuncios.com which over the last few years has gained a significant position in Spain. This reinforces Schibsted's position as a clear market leader in the Spanish online classifieds market. The founder of Milanuncios will receive proceeds of EUR 50 million in cash and 10 percent of the shares in the combined Schibsted Classified Media Spain (excluding 20 Minutos). The acquisition was examined by the Spanish competition authorities and was finally approved in December 2014.

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- In 2014 Schibsted agreed to merge its Moroccan online classifieds site Bikhir.ma with the competitor Avito. The traffic growth has accelerated since the merger. Schibsted owns 52 percent of Avito.ma, which is also the name of the new company.
- In 2014 Schibsted bought out minorities in the Irish online classifieds site DoneDeal.ie. In March 2014 the holdings were increased from 50.1 to 90.1 percent.

## ESTABLISHED OPERATIONS

### FRANCE – LEBONCOIN.FR

Leboncoin.fr is the leading online classifieds marketplace in France. The site ranks among the top four online sites in terms of traffic measured by page views (source: Comscore, December 2014) and has a strong position within generalist, cars, real estate and jobs ads.

LEBONCOIN.FR (EUR million)	2014	2013*
Operating revenues	150.7	124.3
Gross operating profit (EBITDA)	101.5	83.6
Gross operating profit (EBITDA) margin	67 %	67 %

\* Restated

#### MAIN FEATURES IN 2014:

- Operating revenues grew by 21 percent in 2014 compared to 2013. The revenue growth came from a broad range of sources. Brand advertising, listing fees for professional customers, and premium placements for professional and private customers all contributed well to the growth. Contributing negatively to growth is the decline in partner revenues from Google, as the company focuses more on controlling the display ad sales process internally.
- The EBITDA margin was unchanged at 67 percent. Increased costs particularly related to ramping up in-house sales resources, marketing, technology development and strengthening the organization.
- During 2014 Leboncoin has continued to strengthen its position as the leading site for professional car listings in France.
- The positions in real estate and jobs are also strong in terms of volume and traffic. For four years Leboncoin.fr has had a cooperation agreement with Spir Communication in the real estate market. The agreement expired at the end of 2014. During Q3 and Q4 2014, Leboncoin.fr was selling stand-alone subscriptions to real estate agents, competing with Spir, which was selling bundle packages including listings on Leboncoin. Revenues from stand-alone real estate contracts will gradually be phased in during 2015 and 2016.

## SWEDEN – BLOCKET.SE/BYTBIL.SE

Blocket.se is the number-one website for online classified ads in Sweden as well as one of the country's strongest brands. Bybil.se is the leading classifieds site for cars in Sweden.

BLOCKET.SE/BYTBIL.SE (SEK million)	2014	2013*
Operating revenues	939	866
Gross operating profit (EBITDA)	489	448
<i>Gross operating profit (EBITDA) margin</i>	52 %	52 %

\* Restated

### MAIN FEATURES IN 2014:

- Blocket's/Bybil's operating revenues grew by 8 percent in 2014. The trend in the professional markets was strong in 2014, both as a result of good trends in the new real estate and jobs verticals and general price optimization. The trend in the private market was hampered by a shift in volumes for second-hand cars from C2C towards B2C.
- Blocket spends resources on building new revenue models in order to ensure long-term growth, and the trends for both the real estate and jobs verticals were good in 2014. Both the real estate and jobs verticals have a negative impact on the EBITDA figures during the start-up phase.

## NORWAY – FINN.NO

Finn.no is clearly the number-one website for online classified ads in Norway. The company is the market leader in the field of car, real estate, recruitment and generalist ads.

FINN.NO (NOK million)	2014	2013*
Operating revenues	1,446	1,406
Gross operating profit (EBITDA)	637	691
<i>Gross operating profit (EBITDA) margin</i>	44 %	49 %

\* Restated

### MAIN FEATURES IN 2014:

- Finn.no continued to develop positively in 2014 with a revenue growth of 3 percent. Traffic, measured by number of visits, grew by 14 percent, fuelled particularly by the influx in mobile traffic.
- The change to freemium reduced revenues in Finn.no by around NOK 40 million in 2014, or around 3 percent. The number of listings has increased by close to 200 percent. The change was made in order to further strengthen traffic and user engagement on Finn.no, and the effect has been very positive.

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- As a result of softer macro conditions in Norway, Finn.no has experienced a decline in volumes and revenues in the recruitment vertical. The decline affected Finn.no's total revenues by close to 8 percent.
- Operating costs increased by 6 percent from 2013 to 2014. The cost increase was lower than in previous years, as the company has adapted to the lower top-line growth trend.

## SCM SPAIN

SCM Spain is the clear leader in the Spanish online classifieds market with clear number-one positions in generalist, cars and jobs, as well as a joint number-one position in real estate. The company operates under the main brands Segundamano.es, Milanuncios.com, Coches.net, InfoJobs.net and Fotocasa.es.

SCM SPAIN (EUR million)	2014	2013*
Operating revenues	84.7	88.5
Gross operating profit (EBITDA)	14.0	25.2
Gross operating profit (EBITDA) margin	17 %	28 %

\* Restated

### MAIN FEATURES IN 2014:

- After taking full control over the operation in 2013, in 2014 Schibsted has focused on traffic growth and market share in Spain. This has been successful, and the traffic trends have been positive during the year.
- Revenues declined by 4 percent as the level of monetization was reduced in order to stimulate traffic and user engagement. EBITDA margin was 17 percent (28%).
- The development of SCM Spain has improved significantly towards the end of 2014, and in Q4 2014 the revenues grew for the first quarter since Q1 2012.
- The general macro economy in Spain is improving, and SCM Spain is set to benefit from this. The new sales on the recruitment vertical InfoJobs.net grew by around 20 percent in Q4 2014, which indicates a positive revenue trend in 2015.
- An agreement to acquire the generalist site Milanuncios.com was entered into in February 2014. Milanuncios has in recent years built up a leading position in Spain, measured by traffic. The acquisition will significantly strengthen Schibsted's competitive strength in Spain going forward. The acquisition was approved by the Spanish competition authorities in December 2014. SCM Spain will implement a remedy to meet the concerns the competition authorities had regarding the market shares in the professional part of the motor market in Spain. The remedy is behavioral, and requires SCM Spain to grant a license to Autocasión Hoy S.A, a part of Vocento Group. The license is for two years and gives Autocasión Hoy S.A an exclusive right to commercialize the professional car section of Milanuncios. The license fee is not substantial, and the license has a limited impact on the Schibsted synergies from the acquisition.

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## OTHER ESTABLISHED OPERATIONS

Subito.it (Italy) is the leading generalist and car classifieds site in Italy. Despite a harsh macroeconomic environment, Subito saw good and accelerating growth rates in 2014. In order to increase the gap to competitors in the Italian online classifieds market, Subito.it has increased its investments in marketing. This has yielded good results in the form of an increased pace of growth in revenues and traffic. Subito.it is the ninth-largest website in Italy in terms of traffic measured by page views (source: Comscore, December 2014).

Donedeal.ie (Ireland) is the leading generalist website in Ireland. The site continued to develop well with good growth in revenues and traffic. Parts of the increased revenues were reinvested in improved products and market positions.

Willhaben.at (Austria) is the leader in the generalist and real estate market. It also has a strong position in the car market, and the site is in the top five online sites in Austria in terms of page views (source: Comscore, December 2014). The site continues to grow fast in terms of traffic, and revenue growth accelerated in 2014.

Mudah.my is the clear market leader in online classifieds in Malaysia, and holds strong positions in generalist, cars, and real estate. Mudah's revenues showed a healthy growth rate, and the site produced positive EBITDA. The site is the fifth-largest online site in Malaysia in terms of traffic measured by page views (source: Comscore, December 2014).

At the end of 2012 Schibsted acquired 50 percent of Haznaltauto.hu, the leading car classifieds site in Hungary, and increased the stake to 100 percent in 2014. The site holds a strong position in the Hungarian market, and the revenues grew well in 2014. The site produces healthy EBITDA margins.

## INVESTMENT PHASE

Schibsted Classified Media has a clear goal of laying the foundations for future growth by establishing in new markets. The businesses in this phase are mainly launched on the basis of the successful Swedish Blocket concept. Experiences from successful establishments in core markets form the basis for investments in online classifieds in new markets.

In 2014 the portfolio of online classifieds sites in Investment phase has developed well and has increased traffic significantly. Telenor joined Schibsted as a joint venture partner in South America and in certain Asian markets in December 2013. The cooperation, which also included Singapore Press Holdings in South East Asia, worked well. In November 2014 Schibsted, together with Telenor and Singapore Press Holdings, entered into an agreement with Naspers to form joint ventures in Brazil, Indonesia, Thailand and Bangladesh. In addition, the parties agreed to buy and sell each other's assets in certain

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other markets. Combining the platforms will make it faster and easier than ever for people to trade and turn their items into cash. They will be able to choose from a wider selection of items and be more successful in selling their own items to a larger audience of buyers. By coming together, the businesses would also be able to share costs, expertise and people to more effectively build awareness of the benefits of a vibrant online classifieds offering to consumers. The transactions closed on 9 January 2015 after all conditions precedent had been satisfied. The joint ventures hold strong market-leading positions in all the markets, apart from in Bangladesh, where the position is number two.

In Morocco, Schibsted merged its online classifieds site Bikhir.ma with the main competitor Avito.ma in 2014. Schibsted owns 52 percent of the merged entity, which has experienced accelerating traffic growth after the merger.

Outside the joint ventures with Naspers, Schibsted hold market positions with great potential in several markets. Sites like Segundamano.mx in Mexico, Yapo.cl in Chile (50/50 joint venture with Telenor) and Tori.fi in Finland are all number one in their respective markets.

Schibsted has increased the ownership in the mobile-only app Shpock. The app has shown a promising trend in Germany.

In total, Schibsted Classified Media's Investment phase operations include activities in a total of 19 countries. The online concept was launched in 11 of these countries without local organization.

The total amount invested increased in 2014, mainly through marketing in already established markets. In 2014 the investment charged to gross operating profit (EBITDA) was EUR 60.3 million (116.8 million). In addition, EUR 96.1 million was invested through joint ventures, an amount which does not affect EBITDA, but which does affect operating profit (EBIT). In total, investments amounted to EUR 156.4 million.

## Schibsted Norge Media House

The media houses in Schibsted Norge comprise single-copy newspaper VG (print and online), the subscription-based newspapers Aftenposten, Bergens Tidende, Stavanger Aftenblad, and Fædrelandsvennen (print and online), printing plant operations, distribution operations, the book publishing company Schibsted Forlag, and Schibsted Growth.

SCHIBSTED NORGE MEDIA HOUSE (NOK million)	2014	2013*
Operating revenues	6,217	6,338
Gross operating profit (EBITDA)	537	723
Gross operating profit (EBITDA) margin	9 %	11 %

\* Restated

### MAIN FEATURES IN 2014:

- Advertising revenues from online increased by 18 percent, while print advertising revenues decreased by 19 percent. Total advertising revenues declined by 9 percent.
- Subscription revenues increased by 10 percent as new online/print bundled subscriptions have been well received. Single-copy revenues decreased by 2 percent, supported by significant price increases.
- Total operating revenues fell by 2 percent in 2014 compared to 2013.
- Schibsted Norge Media House is influenced by the structural migration from print to online, whereas online media consumption is increasing rapidly, a trend the media houses benefit from. Mobile and web TV are important growth drivers. At the same time, print newspapers are losing market shares in both the readership and the advertising markets. Rapid adaption of the business model and cost base is required in order to be relevant and profitable in the digital future.
- The media houses are addressing the challenges in print media with ongoing efficiency measures, and these are progressing as planned. At the same time, more resources are being allocated to digital activities. The ambition is to create world-class digital media houses. The declining trend in print advertising is expected to continue, and continued online growth and innovation will be crucial to securing the future on the basis of high-quality editorial products combined with healthy financial results.

## SINGLE-COPY NEWSPAPER - VERDENS GANG (VG)

Verdens Gang publishes Norway's clearly leading online newspaper VG.no and the market-leading single-copy newspaper. VG.no is one of the absolute biggest websites in Norway, irrespective of category.

### SCHIBSTED NORGE SINGLE COPY NEWSPAPER

VERDENS GANG (NOK million)	2014	2013*
Operating revenues	2,009	1,951
of which offline	1,292	1,365
of which online	717	586
Gross operating profit (EBITDA)	328	313
<i>Gross operating profit (EBITDA) margin</i>	16 %	16 %

\* Restated

### MAIN FEATURES IN 2014:

- Total revenues for VG increased by 3 percent, and EBITDA increased by 5 percent in 2014 compared to 2013.
- The growth was a result of the positive trend online. VG's online revenues increased by 22 percent, fuelled by good trends for mobile advertising and web TV. VG also experienced strong growth for its premium subscription-based editorial product VG+, which had more than 50,000 subscribers at the end of 2014. This was an increase of 38 percent compared to the previous year.
- Print circulation revenues were unchanged in 2014 compared to 2013. Price increases supported the revenues, whereas print circulation volumes on weekdays fell by 16 percent and on Sundays by 15 percent.
- Print advertising revenues decreased by 23 percent from 2013 to 2014.
- The total operating expenses increased by 3 percent. The increase was a result of significant ramp-up of activities within web TV. Web TV is the fastest growing segment within online advertising in Norway, according to IRM statistics.
- The position as Norway's largest website, measured in terms of unique users, was maintained during the year.

## SUBSCRIPTION-BASED NEWSPAPERS

Schibsted Norge owns leading subscription-based newspapers in four of Norway's largest cities: Oslo, Bergen, Stavanger, and Kristiansand. Each newspaper also has online editions that are leaders in their respective markets.

### SCHIBSTED NORGE SUBSCRIPTIONBASED

NEWSPAPERS (NOK million)	2014	2013*
Operating revenues	3,381	3,571
of which print	2,841	3,214
of which online	540	357
Gross operating profit (EBITDA)	253	365
<i>Gross operating profit (EBITDA) margin</i>	7 %	10 %

\* Restated

### MAIN FEATURES IN 2014:

- Total circulation revenues for the subscription-based newspapers increased by 6 percent in 2014. Successful introduction of online and online/print bundled subscriptions have been well received by consumers. The circulation volume in 2014 was 2 percent higher than in 2013.
- Online advertising revenues increased by 14 percent and stem mostly from mobile. This increase could not compensate for the decline in print advertising revenues, which was 18 percent in 2014 compared to 2013.
- Schibsted's media houses work continuously on adapting the cost base to market trends and at the same time develop the online operations. Cost reduction measures of around NOK 400 million were announced in 2012 and have been executed according to plan during 2013 and 2014. Further cost reductions are planned. Operating expenses decreased by 2 percent in 2014 compared to 2013.

## Schibsted Sverige Media House

Schibsted Sverige consists of three key business areas: Aftonbladet (Sweden's leading online newspaper and largest print-based single-copy newspaper), Svenska Dagbladet (print-based subscription and online newspaper) and Schibsted Growth (web-based growth companies including Hitta).

SCHIBSTED SVERIGE MEDIA HOUSE (NOK million)	2014	2013*
Operating revenues	3,762	3,720
Gross operating profit (EBITDA)	385	354
<i>Gross operating profit (EBITDA) margin</i>	<i>10 %</i>	<i>10 %</i>

\* Restated

### MAIN FEATURES IN 2014:

- Advertising revenues from online increased by 4 percent, while print advertising revenues decreased by 15 percent in 2014 compared to 2013.
- Total operating revenues increased by 1 percent in 2014, as the markets for print advertising and circulation volumes declined.
- The positive development online, including continued growth and significant margin improvement in Schibsted Growth resulted in an improved EBITDA of 9 percent in 2014 compared to 2013.
- The media houses are addressing the challenges in print media with cost reduction programs and ongoing efficiency measures, and these are progressing as planned. At the same time, more resources are being allocated to digital activities. The ambition is to create world-class digital media houses. The declining trend in print advertising is expected to continue, and continued online growth and innovation will be crucial to secure the future on the basis of high-quality editorial products combined with healthy financial results.

## SINGLE-COPY NEWSPAPER - AFTONBLADET

Aftonbladet is a media house with number-one positions in both the print and online sectors. Aftonbladet is Sweden's leading news media in all channels: print, online, mobile, and web TV.

### SCHIBSTED SVERIGE SINGLE COPY NEWSPAPER

#### AFTONBLADET (SEK million)

	2014	2013*
Operating revenues	2,019	2,051
of which offline	1,320	1,430
of which online	699	621
Gross operating profit (EBITDA)	237	287
<i>Gross operating profit (EBITDA) margin</i>	12 %	14 %

\* Restated

### MAIN FEATURES IN 2014:

- Aftonbladet's online revenues increased by 13 percent in 2014, driven particularly by mobile advertising and web TV. Total revenues for Aftonbladet declined by 2 percent, as the markets for print advertising and print circulations declined.
- Print circulation revenues decreased by 6 percent, supported by price increases. The circulation volume declined by 17 percent on weekdays.
- Advertising revenues for Aftonbladet's print edition decreased by 15 percent compared to 2013.
- Total operating expenses for Aftonbladet increased by 1 percent in 2014. Focus was on reducing costs related to the print edition and on strengthening the online product.
- Significant investments were made in the web TV service, which affected EBITDA negatively.

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## SUBSCRIPTION-BASED NEWSPAPERS

### - SVENSKA DAGBLADET (SVD)

Svenska Dagbladet is the third-largest subscription-based newspaper in Sweden and holds a particularly strong position in the Stockholm region.

#### SCHIBSTED SVERIGE SUBSCRIPTION BASED NEWSPAPER

SVENSKA DAGBLADET (SVD) (SEK million)	2014	2013*
Operating revenues	960	1,033
Gross operating profit (EBITDA)	35	1
Gross operating profit (EBITDA) margin	4 %	0 %

\* Restated

#### MAIN FEATURES IN 2014:

- SvD increased its gross operating profit from SEK 1 million to SEK 35 million in 2014.
- The positive trend was a result of a cost reduction of 10 percent, which is evidence of the company's ability to adapt to market trends during the year.
- Total revenues declined by 7 percent, supported by an online growth of 46 percent.
- The circulation volume for SvD (weekdays) decreased by 9 percent from 2013 to 2014, and circulation revenues declined by 8 percent.
- Print advertising revenues declined by 15 percent in 2014.

## SCHIBSTED GROWTH

Schibsted Growth consists of a portfolio of web-based growth companies. These companies benefit greatly from the strong traffic positions and brands of Schibsted's established operations in Sweden.

SCHIBSTED GROWTH (SEK million)	2014	2013*
Operating revenues	953	857
Gross operating profit (EBITDA)	207	131
Gross operating profit (EBITDA) margin	22 %	15 %

\* Restated

### MAIN FEATURES IN 2014:

- Schibsted Growth has strong market positions in areas like personal finance (Lendo.se, Compricer.se, Kundkraft.se and Mobilio.se), online coupons, price comparisons, and online directories. The companies offer consumer information services and showed a revenue growth of 27 percent in 2014, excluding Hitta.se. Hitta's revenues declined by 14 percent as the market for online directory services contracted.
- The revenue growth was supported by the acquisition of 100 percent of the shares of Compricer AB in September 2013. Compricer operates an online personal finance marketplace (compricer.se) and is a good strategic fit with the existing portfolio of fast-growing personal finance services in Schibsted Growth. Underlying revenue growth, excluding the effect from acquisitions and divestments, was 9 percent, and 28 percent excluding Hitta.se
- Most of the portfolio's operations experienced good revenue growth. Significant amounts are being reinvested in marketing and customer acquisition. Among the most important contributors to revenue and EBITDA growth was the online coupon service Let's Deal.

## Media Houses International

Media House International consists of the Group's free newspapers: 20 Minutes in France and 20 Minutos in Spain. The media house operations (newspapers, magazines, and TV channels) in the Baltics were sold with effect from 1 September 2013.

MEDIA HOUSES INTERNATIONAL (NOK million)	2014	2013*
Operating revenues	131	489
of which 20 Minutes	128	117
of which Eesti Meedia (Baltics)	-	369
Gross operating profit (EBITDA)	(35)	4
of which 20 Minutes	(36)	(32)
of which Eesti Meedia (Baltics)	-	36

\* Restated

### MAIN FEATURES IN 2014:

- Operating revenues decreased by an underlying 5 percent in 2014 compared to 2013. Reported revenues declined by 73 percent as a result of the divestment of Eesti Meedia in September 2013.
- The market conditions for free newspapers in Spain and France have been challenging in 2014. Increased online advertising revenues have not been sufficient to offset the decline in print advertising.
- 20 Minutes France is owned 50 percent by Schibsted, and is reported according to the equity method consolidated with our proportionate share of net profits on one line included in net operating profit (EBIT), but not in EBITDA.

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## Outlook

### ONLINE CLASSIFIEDS

Schibsted sees continued revenue growth potential and a good margin outlook for its portfolio of established online classifieds sites. On a mid- to long-term horizon the target for annual revenue remains at 15-20 percent.

Our leading French site Leboncoin.fr holds significant long-term potential in new verticals and products, like real estate. The monetization of real estate will gradually be ramped up during 2015 and into 2016 as a consequence of the expiry of the bundle agreement with Spir. Leboncoin.fr can now sell real estate listings exclusively on a stand-alone basis. In Sweden, Blocket is building market positions that will form the basis for increased revenues in the real estate and recruitment markets. Blocket.se is expected to have a high single digit growth rate in 2015.

Our online classifieds positions in Spain are strengthened through the acquisition of Milanuncios.com and through positive traffic development on existing sites. Together with positive macroeconomic development, this forms a good platform for revenue growth in 2015.

New product offerings and continuous price optimization are expected to further monetize the large traffic volumes in the key operations in Norway, Sweden and France. Finn.no (Norway) has turned free for certain private categories to increase user engagement. Together with several other initiatives, this will form the basis for the next-generation online marketplace. A somewhat weaker macroeconomic trend in Norway may have a negative effect on certain revenue categories, mainly recruitment. In 2015 Finn.no is expected to have a low single-digit revenue growth rate.

Traffic and volume increase as well as broader product platforms are expected to support revenue growth for the remaining group of established sites in Italy, Austria, Ireland, Malaysia and Hungary.

Our strategy of building online classifieds positions in new markets will continue. As a result of the joint venture agreement, the investments are expected to be reduced by close to 50 percent in 2015 compared to 2014. Some of the investments will still be in joint ventures and associated companies, which are not included in the EBITDA. Healthy growth in key operational parameters indicates good progress for Investment-phase sites, which lends confidence to our investment strategy. The consolidation which Schibsted is part of in markets like Brazil is expected to speed up the process towards profitability and increase the chances of establishing clear market-leading online classifieds sites.

### MEDIA HOUSES

The media houses in Schibsted will continue the transformation into world-class digital media houses based on strong editorial products. This involves investments in digital

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competence and technology such as payment solutions (SPiD), CRM systems, mobile platforms, web TV, strengthened sales units, and continued development of the consumer finance offering.

Overall, the structural digital shift and the transformation process are expected to lead to some margin contraction for Schibsted's media houses compared to the levels in recent years. Our subscription-based newspapers are expected to produce EBITDA margins in the range of 0-10 percent, whereas VG and Aftonbladet are likely to have margins in the range of 10-15 percent.

#### **INVESTMENTS IN TECH AND ONLINE PRODUCT DEVELOPMENT**

The build-up of Schibsted's central technology and product development resources will continue in 2015. Central teams will be established to develop common tech platforms for both media houses, online classifieds, for advertising and login services. Our ambition is to increase efficiency in the development process, the speed of roll out and quality of new services and free up time and resources for innovation and true product development. These development efforts are expected to represent investments of around NOK 100-200 million in 2015.

## **Going concern assumption**

The Group's economic and financial position is good. Based on the Group's long-term strategy and forecasts, and in accordance with Section 3-3a of the Norwegian Accounting Act, the Board confirms that the use of the going concern assumption is appropriate. The 2014 financial statements have been prepared on this assumption.

## **Statement of corporate governance**

In accordance with Section 3-3b of the Norwegian Accounting Act, a statement of corporate governance has been prepared. The statement is included as a separate document in the annual report.

## **Statement of corporate social responsibility**

In accordance with Section 3-3c of the Norwegian Accounting Act, a statement of corporate social responsibility has been prepared. The statement is included as a separate document in the annual report.

# INFORMATION ON THE ENVIRONMENT

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## Working environment

Schibsted aims to be a leading company in Europe in terms of developing talent, managers, and employees. The work on attracting talented people, developing good managers, and creating competent organizations is given high priority by the Group's senior management and subsidiaries. Competitive terms of employment and a stimulating working environment with good opportunities for personal and professional development form part of this strategy. At year-end, Schibsted had approximately 6,800 (6,900) employees, around 3,800 (3,800) of whom worked outside Norway. The Group's sickness absence rate was three percent (3 percent) of total working hours.

Of all the Group's companies, operations at the printing plants involve the highest risk of injury. At year-end, Schibsted owned four newspaper printing plants: Schibsted Norge's printing plants in Oslo, Bergen (2) and Stavanger in Norway. Six (5) injuries that resulted in sickness absence were reported in 2014. Nine (5) minor personal injuries such as bruise injuries and cuts were reported.

In recent years, the threat against our journalists and editors has increased. Acts and threats of violence against journalists is not a new phenomenon, but the nature of the threats has changed. This applies both to journalists covering events in conflict zones and to those covering our home markets such as Sweden, Norway, France and Spain.

In addition to the increased risk associated with having a presence in conflict areas, there is the threat posed by religious and political extremists and mentally unstable persons.

Schibsted has therefore sharpened its focus on security to protect our employees. This includes gaining a better understanding of the threats we are facing and establishing specific security measures for individuals and media houses. This work will continue in the future.

## External environment

Schibsted Media Group is a significant player in the recycling market through our online classifieds sites. Our marketplaces extend the life cycle of a range of products and contribute to reducing the need for manufacturing new ones.

Production of the Group's newspapers is a digital process up to the printing stage, and has little impact on the external environment. Printing of newspapers has a relatively neutral effect on the environment, and the chemicals used to produce the newspapers are treated as special waste and recycled as far as possible. Agreements with approved transport companies ensure that special waste is collected safely. Normal operations do not involve any danger of emissions from the printing plants.

The printing plants used 68 thousand tons (100 thousand tons) of paper, 1.7 thousand tons (2.3 thousand tons) of printing ink, and 28.5 GWh (36.9) of electricity in 2014. The Group's newspaper companies in Norway and Sweden arrange for unsold newspapers to be returned and resold for recycling. The Group's other operations pollute the environment to a minor extent only.

LOST



Schibsted aims to be a leading company in Europe in terms of developing talent, managers, and employees

# ORGANIZATIONAL DEVELOPMENT

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Organizational development (OD) in Schibsted is about supporting the Group in the execution of business strategies. The key question for OD to answer is what it takes for our people and organizations to deliver on the strategic priorities set by the Board and Group Management Team.

As the digital transformation speeds up, we need to speed up our innovations. Whereas in the 'old days' we could investigate and prepare new ideas for months before launching, we now take a more iterative approach to testing, learning and adjusting. Inspired by Lean startup thinking and A/B testing, we encourage our organizations to take some risks, move quickly, learn, and adjust.

Competence building and organizational development are critical to Schibsted's success. Our priority areas for future development will be digital skills, new competencies in journalism, sales, branding, and leadership skills for new and experienced managers. We will also focus more heavily on recruitment, talent, and performance management as well as on increasing mobility between our companies and geographical locations. Our aim is to empower talented people to constantly develop and to take advantage of exciting career opportunities as our business grows.

Success within all of these areas is critical to achieving our business objectives. This part of our strategy applies to the management teams at both Group and subsidiary levels. To this end, we continually focus on improving our development programs for sales people, our trainee program for young talents, and our management programs for new and experienced managers.

Gender balance is part of our overall diversity strategy. In order to increase the number of female leaders, our KPI has been that 50 percent of all newly employed managers throughout the Group should be female. The figures for 2014 show that 39 percent of our employees are female and that 46 percent of our newly recruited managers are female. When we look at the overall figures for the whole Group, 36 percent of our managers are female, but if we look at the different management levels throughout the Group, the picture changes: in Group management (Level 1), the proportion of female leaders is 22 percent. In management teams at divisional level (Level 2), the proportion of female leaders is 28 percent. In management teams at company level (Level 3), the picture is more differentiated and varies between business segments. In broad terms, the proportion of female leaders is approximately 30 percent at Level 3.

In 2014 Schibsted has become an even more global company. We focus on diversity and believe that the right mix of competencies, beliefs, backgrounds, and gender will enhance our innovation capabilities. We will continue to pursue our focus on diversity in 2015.

We have started to consolidate our technical competence and have recruited key people in central positions. Highly skilled and talented people have joined us to share their knowledge and experience from global tech players. Together with our great people with long

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experience in Schibsted, we believe we have the competitive edge to compete and succeed in a global market. In order to take the next step in attracting international tech competence, we decided to hire in-house technical recruiters to find more of the critical competence we need to execute our business strategy.

Attracting and retaining top talent is and will continue to be one of our main priorities. In an international business like ours, where we are competing with the world's biggest companies, the importance of attracting top talent is more vital than ever before. Based on the number and quality of applicants to our trainee programs and on the level of interest in permanent positions in our companies from all over the world, we are in a good position for further developing the organization.

One of the consequences of Schibsted's relatively decentralized structure and culture is that our companies are used to having responsibility for their own development and growth. As we develop more cooperation between the companies and establish horizontal services, we also seek out common solutions in OD areas such as employee surveys, 360 degree assessments, business-specific training programs, and mobility programs. In 2014 we implemented a new applicant tracking system in the recruitment processes of all our divisions and at corporate level. This means that we can now work seamlessly across the Group and across functions with our recruitment processes.

During 2014 we strengthened our cooperation within our OD partnership. The three members of this partnership are each responsible for OD in their respective divisions and work closely with OD Corporate. Together we have designed a portfolio of new e-learning leadership training modules, making it possible for leaders to customize their own competence development in line with business needs.

The work within the OD partnership aims to improve efficiency and alignment of OD initiatives at all levels within the Group. An example of good alignment is the cooperation between OD corporate and our media houses in the area of digital training for journalists and editorial managers.

## Discrimination

The companies' working environment committees work continuously on promoting a good working environment and thus minimizing incidents of workplace discrimination. Further measures to promote this objective as stated in the Norwegian Anti-Discrimination Act are not considered necessary.

# DIVIDEND AND CAPITAL STRUCTURE

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Schibsted Media Group is a listed company, and our aim is that our shares should be perceived as an attractive investment. A competitive return should be based on a healthy economy. The goal is to ensure a competitive return through long-term growth in the share price and dividend. The company's shares should as far as possible achieve a price which reflects the company's long-term earnings capacity.

Schibsted holds strong positions in the Scandinavian media markets. The media houses' strong brands and market-leading positions help ensure a good cash flow, even with continuing structural changes and lower profitability for print newspapers. Online classifieds operations both in Scandinavia and internationally contribute with strong, profitable growth. 2014 was a good year for Schibsted Media Group, with solid revenues and improvements in many of the markets in which the Group operates. The Group's financial flexibility has been stable during the year. At the end of 2014, the Group had a strong balance sheet, good cash flow, and healthy liquidity.

Schibsted's capital structure shall be sufficiently robust to maintain the desired scope of action and exploit growth opportunities based on strict assessment of our allocation of capital.

Schibsted will place emphasis on having a fixed dividend payout ratio which, over time, will constitute 25–40 percent of the Group's normalized cash flow per share. In years of economic slowdown, the company will aim to pay a dividend at the upper part of the target range, provided the Group's capital structure allows this.

Schibsted is currently in a phase of investments in online activities which will form a basis for future growth in profitability. The Board has taken a balanced approach to the dividend proposal, and has taken into consideration the fact that the Group is increasingly strengthening its growth profile. On this background, the Board will recommend to the Annual General Meeting that a dividend of NOK 3.50 per share be distributed for the 2014 financial year. This represents no change compared to 2013. The total number of shares is 108 million, and a dividend of NOK 3.50 per share means a payout of NOK 376 million (adjusted for shares owned by Schibsted). A dividend of NOK 3.50 per share amounts to around 39 percent of the net cash flow from operating activities for 2014.

# SCHIBSTED ASA

Schibsted ASA is the parent company of the Group. The company's accounts have been presented in accordance with the Norwegian Accounting Act and generally accepted accounting practices in Norway (NGAAP).

Operating revenues amounted to NOK 71 million (NOK 49 million). The operating expenses of NOK 321 million (NOK 271 million) relate to Group administration services. The operating loss in 2014 was NOK -250 million (NOK -222 million). Net financial items include distributions (dividends and group contributions) from subsidiaries of NOK 731 million. The pre-tax profit on ordinary operations amounted to NOK 385 million (NOK 2,887 million).

Schibsted ASA had 91 (103) employees at year-end, 19 (32) of whom were trainees assigned to the Group's companies. The Group's CEO is Schibsted ASA's President and CEO.

A merger with the subsidiary Schibsted Finans AS with accounting effect from 1 January 2014 is completed.

Oslo, 24 march 2015

## BOARD OF DIRECTORS SCHIBSTED ASA



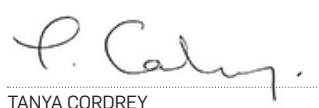
OLE JACOB SUNDE  
CHAIRMAN OF THE BOARD



BIRGER STEEN



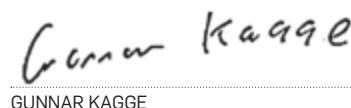
EVA BERNEKE



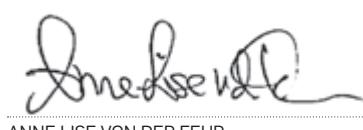
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JONAS FRÖBERG



GUNNAR KAGGE



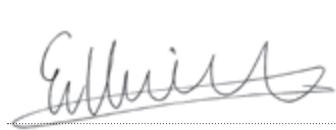
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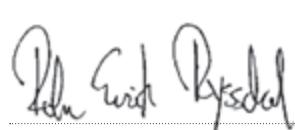
ARNAUD DE PUYFONTAINE



CHRISTIAN RINGNES



EUGENIE VAN WIECHEN



ROLV ERIK RYSSDAL,  
CEO

# STATEMENT OF EXECUTIVE COMPENSATION

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## 1. Basis for the Group's executive compensation policy

The Group Board of Schibsted ASA ("Schibsted") considers the employees as the Group's most important resource. A competitive remuneration policy that attracts and retains talented employees is therefore crucial to our business. The company's human resource policy covers several factors, including terms related to pay and pension, working environment, development programs, and more traditional employee benefits. The executive compensation policy is part of the company's human resource policy.

## 2. Guidelines for the executive compensation policy

The guidelines regarding executive compensation are determined by the Group Board. Schibsted's Group CEO and Group Management Team are directly covered by the guidelines. The guidelines are also normative for the remuneration of other senior managers and management groups in our core businesses.

## 3. Period of application

This statement of executive compensation applies for the coming financial year; see section 6-16 a) (2) of the Norwegian Public Limited Companies Act. The Group Board will base its work on this statement, following discussions at the Annual General Meeting on 8 May 2015.

## 4. Main principles of the company's executive compensation policy

The Group Board regularly assesses the Group's executive compensation policy to ensure that the compensation packages offered to our executives are reasonable, well balanced, and competitive.

The fixed salary of the Group's managers shall be moderate and shall form the basis for the assessment of various additional benefits as part of the managers' total compensation, annual variable pay, long-term incentive program, and pension schemes.

The Group's further growth and profitability depend on the employees' efforts to ensure continuous business development and improvement in profitability. To motivate managers to make such efforts, variable pay and other incentive schemes are linked to factors which they can directly influence. These schemes must be reasonable in relation to the Group's results and to the value created for the shareholders.

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#### **4.1. FIXED SALARY**

The fixed salary (the gross annual salary before tax and before variable pay and other additional benefits are calculated) shall represent the key component of manager compensation.

The increase in fixed salaries is expected to be moderate.

#### **4.2. DIRECTORS' FEES**

Employees do not receive directors' fees for board appointments when they serve as board members as part of their position. Employee representatives are exempted from this rule.

#### **4.3. BENEFITS IN KIND AND OTHER SPECIAL SCHEMES**

Senior executives will normally be given benefits in kind in line with common market practice, such as mobile phone, laptop, broadband, newspapers, company car or car allowance, and parking. There are no specific restrictions on what other benefits may be agreed.

The Group's management loan scheme was terminated in 2006 and has not since been offered to new managers. This scheme entitled managers to a loan of NOK 400,000-800,000 secured by a mortgage against the borrower's property. Schibsted ASA has posted an unconditional guarantee of NOK 2.5 million for the remaining loan portfolio, which currently represents approximately NOK 7 million.

#### **4.4. VARIABLE PAY AND OTHER INCENTIVE SCHEMES**

Guidelines have been established for the use of variable pay and other incentive schemes in the Group. The Group Board believes that incentive schemes are necessary to ensure long-term value creation and entrepreneurship. Such schemes may consist of short-term incentives (normally annual) and long-term incentives (normally three years).

##### **4.4.1. SHORT-TERM INCENTIVE SCHEMES**

Senior executives participate in an annual variable pay program that is linked to target achievement each year. Other Group employees may also participate in such schemes. Variable pay is limited to a maximum of six months' salary for the Group CEO and varies from three to six months' salary for other members of the Group Management Team. For the top manager/editor-in-chief of larger units, the maximum payment is normally limited to four months' salary. For other employees taking part in short-term incentive schemes, the maximum payment is normally limited to three months' salary.

Variable pay consists of two parts: one part is linked to financial criteria, the other to strategic, operational, and organizational criteria. These criteria form part of an overall assessment.

The payment of variable compensation to senior executives for the 2014 financial year is shown in note 27 to the financial statements.

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#### **4.4.2. LONG-TERM INCENTIVE SCHEMES FOR EXECUTIVES**

The objective of having long-term incentive schemes is to promote long-term value creation. By receiving a minor portion of the long-term value creation, the interests of the managers and the shareholders are aligned. In 2010, Schibsted's options program was replaced by a Long-Term Incentive Program (LTI Program), an annual, rolling, three-year share purchase program. The program was expanded in 2012 to include several online classifieds companies and management groups.

The LTI Program provides settlement in Schibsted shares, mainly based on the performance and target achievement of the participant's employer company. Ownership of Schibsted shares promotes common goals and encourages cooperation between the companies.

Customized incentive programs may be introduced for selected companies, especially for growth and start-up companies. Such programs will also be long-term, but may contain elements of monetary rewards.

The main elements of Schibsted's current LTI Program are as follows:

Schibsted's LTI Program is divided into four participant levels. Level 1 is for the Group CEO, Level 2 is for members of the Group Management Team. Level 3 and Level 4 are for selected key managers in the Group and managers/management groups in key subsidiaries. Level 3 relates to the media house business while Level 4 relates to online classifieds (Level 1, 2 and 3 participants are included in the LTI-1 Program, whereas Level 4 participants are included in the LTI-2 Program). The participants at each level are given a defined basic amount, calculated as a percentage of their fixed salary. Guidelines have been established regarding allocations to the respective participant levels in order to ensure flexibility and mobility while also taking into account individual pay differences and variations in the compensation schemes.

At the start of the program, between 11 and 33 percent of the base amount ("share purchase amount") is awarded in the form of Schibsted shares and is subject to a lock-in period until the program expires (three years). If a Level 1 or Level 2 participant leaves the Group during the lock-in period, shares that were bought for the share purchase amount must be handed back. No corresponding restriction applies to Level 3 and Level 4 participants.

The remaining 67-89 percent of the base amount ("performance amount") is linked to three-year performance or target achievements. At the end of the three-year period, the participants receive settlement in Schibsted shares based on their target achievement over the three-year period. The number of shares is calculated based on the average price during the program's three-year period. Level 1, 2 and 3 participants receive the full performance amount after three years. Level 4 participants receive one third of the performance amount after each program's three-year period, and the remaining two thirds one year thereafter. The maximum settlement amount in each program will depend on target

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achievement during the period. If the minimum target is not reached during the three-year period, only the share purchase amount will be paid at the end of the three-year program.

In a media market that is constantly undergoing rapid change and facing tougher competition, the Group Board reviews incentive schemes on an ongoing basis to ensure that the program(s) support Group strategic objectives and meet executive talent needs.

The current LTI Program(s) will be reviewed in 2015. The general structure of the program (performance period, equity vehicles, etc.) will remain the same for Group Management. Amendments will primarily be related to performance measures; going forward, overall performance assessment will be more closely linked to the Group's strategic pillars.

The Group Board determines the allocation to the CEO. Other allocations are determined by the CEO within the program's frameworks and in compliance with the Board's allocation guidelines. The CEO's allocations are reported to the Board. Guidelines apply to the adjustment of targets during the measurement period. The final outcome of the LTI Program is determined by the Group Board.

Employees leaving the Group during the three-year period of each LTI Program are normally not entitled to partial accrual. An exception applies to the share purchase amount for Level 3 and Level 4 participants, and in general if a participant leaves the Group due to illness, death, early retirement, normal retirement or other special circumstances. In such cases, entitlement to partial accrual is granted.

Level 1 and Level 2 participants are required to hold their LTI shares for 2 years following the end of each LTI Program.

The final cost of each LTI Program, measured as the cost over the program's cycle, depends on the number of participants, the individual participant's salary, share price development, and performance during the three-year period.

#### **4.4.3. EMPLOYEE SHARE SAVING PROGRAM FOR ALL GROUP EMPLOYEES**

To motivate and retain our Group employees, the Group Board decided to introduce a share saving program for all Group employees in 2014. This program replaced the previous share purchase program for employees in Norway and Sweden.

All Group employees are invited to save up to 5 percent, but a maximum of NOK 50,000, annually of their base gross salary through payroll deductions in order to purchase shares in Schibsted. The share purchase is made on market terms four times a year, after the release of Schibsted's quarterly results. Employees who choose to hold their shares for two years ("holding period") and who are still employed by the Group at the end of the holding period receive one free bonus share from Schibsted per two shares purchased and held during the holding period.

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## 5. Pension schemes

The Group CEO and other senior executives in Norway are, like other employees, members of the Group's pension schemes; see note 21 to Schibsted's consolidated financial statements.

The Group CEO and other senior executives in the Group have individual pension plans which mainly entitle them to early retirement pension from the age of 62 (early retirement pension) and thereafter a lifelong retirement pension, disability pension, child pension, and spouse/cohabitant pension in addition to pension entitlements under the national insurance scheme. The pension costs for senior executives in Schibsted ASA are stated in note 27 to the financial statements. As from 2012, the Group's pension scheme for new managers in Norway is a defined contribution scheme. This is considered to be in line with market developments and will over time contribute to reducing the Group's pension costs.

Most of the Group senior executives based in Sweden belong to defined contribution pension schemes entitling them to benefits in line with those offered to Norwegian senior executives from the age of 62 years. The Group Board is of the opinion that the current schemes for senior executives based in Sweden are adapted to the market, and these schemes will continue in 2015 without any major changes.

Pension levels and schemes for senior executives outside Norway and Sweden must be viewed in connection with the individual manager's overall salary and employment conditions, and should be comparable to the overall compensation package offered to managers in Norway and Sweden. Local rules governing pension entitlement, social security entitlement, taxation, etc. are taken into account when designing individual pension plans.

## 6. Severance pay

The Group CEO is entitled to severance payment equivalent to 18 months' salary in addition to pay during the six-month notice period. Members of the Group Management Team and senior executives are normally entitled to severance pay equivalent to 6-18 months' salary, depending on their position. A non-compete clause and provisions governing reduction in the severance pay normally apply during the severance pay period.

## 7. Agreements entered into or amended in 2014 and their impact on the company and the shareholders

The Group Board believes that the guidelines for share-based remuneration promote value creation in the company/Group and that the impact they have on the company and shareholders is positive.

Oslo, March 2015  
Board of Directors, Schibsted ASA



# STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY



## OUR MISSION AND VALUES

Schibsted Media Group's mission is "Empowering people in their daily life." We empower people by providing them with news and opinions, by providing transparent and secure marketplaces, and by defending freedom of the press and editorial integrity. Throughout our history we have been driven by a desire to challenge conventions and to think in new directions. We consider ourselves a defining force within our industry, and as such our vision is "Shaping the media of tomorrow. Today."

The values that support our mission and vision are:

- We have integrity
- We are innovative
- We are a team
- We are here to win

*"You don't have to compromise between sustainability and profitability. The belief that sustainability means having to forgo profit is a misconception. Re-examining your value chain with a keen eye on sustainability will reveal new ways of operating that improve externalities while reducing costs or increasing revenues at the same time. To me, building a sustainable business is closely linked to innovation. You examine your business from the outside and ask if you could organize it more intelligently. We have an innovation culture, so I'm optimistic that identifying and integrating sustainability will continue to be part of our way of doing business."*

Ole Jacob Sunde, Board Chair,  
Schibsted Media Group

*"Schibsted Media Group's corporate social responsibility is closely linked to our*

*mission of "Empowering people in their daily life", our values and our core business. We believe that we, together with our users, can contribute to a more transparent and sustainable society in what we do every day."*

Rolv Erik Ryssdal, CEO,  
Schibsted Media Group

## OUR PRINCIPLES

In Schibsted our corporate social responsibility is our awareness and our ability to solve social and environmental concerns while meeting the expectations of our shareholders. It is closely linked to our mission, vision, and values. In other words, our corporate social responsibility dictates how we care about our own people and the world around us, including our users and readers, our employees, local communities impacted by our operations, the environment, and society at large. Our ambition is to maximize the creation of shared value for our shareholders, our stakeholders, and society at large while minimizing potentially adverse impacts of our operations.

In Schibsted we draw a distinction between our corporate social responsibility – which is a strategic business issue – and charity, sponsorship, and philanthropy. While we acknowledge that charity, sponsorship, and philanthropy represent a valuable contribution towards creating a better world and enhancing our companies' reputation and brands, we firmly believe that our corporate social responsibility goes beyond that.

Our corporate social responsibility also includes our principles relating to human rights, labor rights, and anti-corruption as described in our Code of Conduct. In addition to the areas mentioned in the

Code of Conduct, our corporate social responsibility policy includes our principles relating to the environment.

#### **ENDORSEMENTS AND MEMBERSHIPS**

Schibsted Media Group has been a member of the UN Global Compact since 2009, and continues to support and promote its ten principles. Schibsted is also committed to complying with the OECD Guidelines for Multinational Enterprises, which contain voluntary principles covering a variety of issues affecting companies' social responsibilities.

In 2011 Schibsted became a member of the Nordic Media CSR Forum with the aim of setting the agenda for corporate social responsibility in the media sector. Since 2012 Schibsted has participated in the UK-based CSR Media Forum. For more information and the Forum's activity report for 2014, visit [mediacsforum.org](http://mediacsforum.org).

#### **THE SIX PILLARS OF OUR CORPORATE SOCIAL RESPONSIBILITY**

Our corporate social responsibility is structured around six pillars:

- Responsible business
- People and society
- Human rights, labor rights, and professional development
- Environment
- Governance and ethics
- Charity and humanitarian activities

## **Responsible business**

Trustworthiness and quality are essential for Schibsted – our users must be able to trust our news, products, and services. We believe this contributes to empowering

people in their daily life and thereby building societies that are more transparent.

For our media houses, this implies having systematic quality assurance procedures at all stages in the journalistic process and a keen awareness of how the content we publish influences our readers and society. For more information about our quality assurance process, visit [www.schibsted.com](http://www.schibsted.com) for the Annual Editorial Report.

For our classifieds operations and online services, responsible business implies creating marketplaces that are reliable, effective, and safe for our users. Our classifieds sites work proactively to prevent various forms of undesirable activity such as advertising of illegal or unethical products, illegal marketing, and fraud.

#### **EDITORIAL FREEDOM AND EDITORIAL GOVERNANCE**

One of Schibsted Media Group's prime responsibilities is to ensure editorial freedom and the right to freedom of speech. The free media play a critical role in underpinning strong, viable democracies. Schibsted's Articles of Association state that the shareholders shall enable Schibsted to operate its information business in such a way that editorial freedom and integrity are fully ensured.

#### **EDITORIAL GOVERNANCE**

In 2011 Schibsted's Editors' Forum adopted a framework for editorial governance in the Group's publishing businesses. This framework safeguards the principle of editorial freedom and defines it explicitly for the benefit of Schibsted's publishing companies in countries where this principle is not enshrined in local law.

- A Schibsted editor shall promote freedom of opinion and defend the democratic values of society, with full respect for human rights, equality, and diversity.
- A Schibsted editor shall have personal and full responsibility for all content, including advertising, and shall ensure its integrity in every respect.
- A Schibsted editor has a free and independent role, and is entitled to independent leadership of the editorial department and editorial activities and to the freedom to shape editorial opinions within the framework of the fundamental ideas of the medium.
- A Schibsted editor shall ensure a form of journalism that makes it clear to the reader what is being presented as information and facts and what is being presented as the opinion of the medium.
- A Schibsted editor shall make it clear to the reader what is independent editorial content and what is commercial promotion.
- A Schibsted editor shall focus on editorial quality and credibility and shall establish ethical and journalistic standards to this end. The ethical guidelines should cover journalistic research as well as publishing.
- A Schibsted editor shall protect freedom of speech, freedom of the press, the principle of public access to official documents, the free flow of information, and free access to sources.
- A Schibsted editor shall protect individuals and groups against injustice and shall report matters of public interest.

This framework of editorial governance has been presented to and endorsed by the Group Board. In addition to the Group wide editorial framework, our media houses have issued company specific editorial code of ethics.

## ANNUAL EDITORIAL REPORTS

Schibsted's Norwegian publishing businesses prepare annual editorial reports and publish them on their websites. Summaries of these reports, as well as reports from our Swedish and international publishing businesses, are published on the Group's website. The purpose of the annual editorial reports is to increase transparency in our editorial activities. In the reports, the editors-in-chief present a status report describing editorial goals, challenges, and results during the past year. The editors-in-chief submit the reports to their respective boards of directors. Due to the principle of editorial independence, these reports are not subject to a board resolution. However, the editors-in-chief may be asked questions about matters of interest from a publishing or journalistic perspective. Furthermore, the Group's annual editorial report is presented to the Group

Board by the president of Schibsted's Editors Forum. The annual editorial report includes information on editorial quality control, how the newspapers work with sources, and the number of complaints to the respective countries' press complaints bodies. The annual editorial reports are available at [www.schibsted.com](http://www.schibsted.com).

## CLASSIFIEDS SITES AND ONLINE SERVICES

All the online marketplaces and portals operate under a set of rules to prevent fraud and advertising of illegal or unethical goods. All our sites inform users of the terms and conditions of use, and several have also implemented comprehensive and transparent consumer safety and privacy policies, notably Blocket, LetsDeal, and Finn. We practice a zero-tolerance policy with respect to fraud, and work proactively and strategically on security.

Furthermore, our sites cooperate with authorities such as the police and customs agencies to prevent fraudulent activities on our sites.

Local manual and automatic ad reviewing processes are in place to prevent weapons, drugs, and other illegal or counterfeit items from being advertised on our sites. Our sites also practice a zero-tolerance policy with respect to pornography and prostitution. If the Group acquires companies that do not follow our policies at the time of acquisition, the Group has established procedures to ensure that such activities are discontinued as soon as possible after acquisition.

## DATA ANALYTICS, PERSONALIZATION AND PRIVACY

With our strategic focus on technology and advanced data analytics, we aim to create

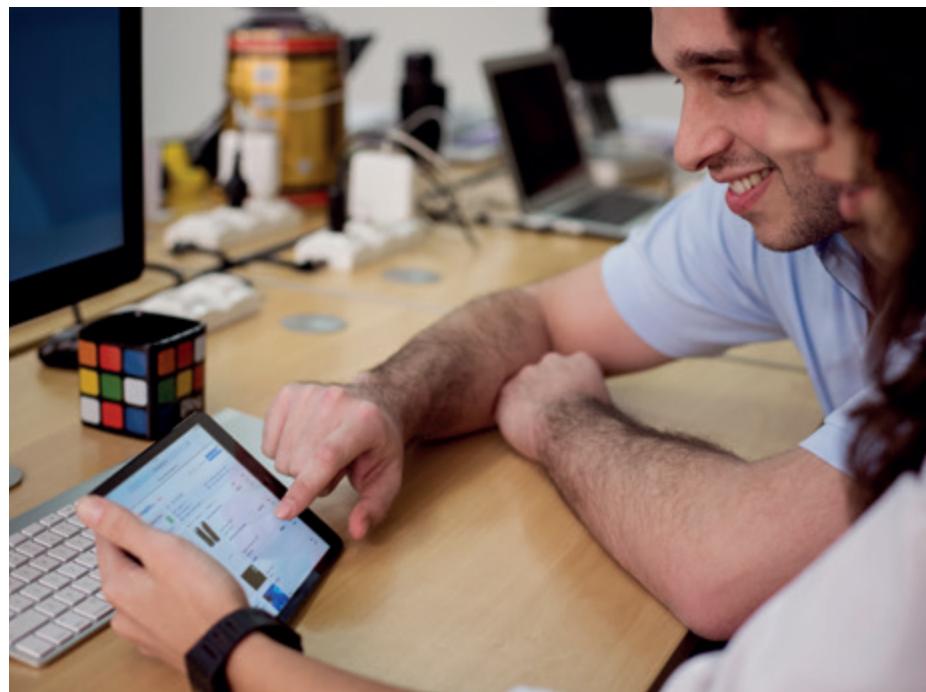


insights from our data that benefit our users through improved and more relevant products and a unique user experience, from great content recommendations to convenient payment systems and seamless cross-device experiences. In our recent Future Report, we noted that the era of online anonymity has given way to the era of online identity. Nowadays, all online activity leaves a data trail providing companies with sufficient information to create digital identities. We strongly believe that services that are tailored to the individual user represent the future, and see the same trend internationally in both editorial content and advertising.

For Schibsted, the opportunities represented by the digital transformation and increased insight also imply a stronger focus on privacy protection. Based on our value of integrity, we are highly committed to transparency and to compliance with privacy legislation. To underline this commitment, the Group appointed a Group Privacy Officer in 2013. The Group Privacy Officer conducts close and proactive dialog with the Norwegian Data Protection Authority to ensure that our activities comply with privacy regulations. In addition, the Group participates in the annual CSR Media Conference and in the UK-based Media CSR Forum, where privacy protection in the media sector has been high on the agenda.

In 2014 the Group issued its privacy mission statement and initiated a privacy program. Our privacy mission statement reads as follows:

*"Data and information about our users and employees are essential to Schibsted Media*



*Group's strategy for product development and growth. Our privacy commitments shall enable us to utilize data to create value for individuals, partners and the Group within the constraints set by the law and accepted privacy principles such as transparency, security and individual choice."*

The key objectives of our privacy program are to ensure compliance with our legal obligations, embed data privacy into our corporate culture and products, maintain public trust, and to support and guide Schibsted's data-driven innovation.

We have already completed several activities under our privacy program: news user terms and conditions and privacy policies have been issued in Norway and Sweden. Various data mapping activities have been completed to ensure our personal data

inventories are updated. In December 2014 Schibsted issued a new group data policy prohibiting advertisers and third parties from processing personal data without the user's explicit consent and heavily restricting anonymous segmenting, profiling, and tracking on Schibsted sites. In 2015 we will continue to work with advertisers and other parties to implement these policies.

During the year, data protection authorities conducted reviews of Schibsted subsidiaries in Norway and Sweden. We offered our full cooperation and do not expect to receive any fines or significant negative feedback. We received approximately 100 requests for access to data from our users during 2014. We currently handle such requests manually, but are working on automating the process to facilitate our users' access to their data.



In 2015 we will continue our work on the privacy program and focus on transparency and user empowerment through a privacy dashboard solution. We will also focus on staff privacy training and awareness.

## People and society

By people and society is meant the impacts on society at large of initiatives implemented by the Group and its subsidiaries and aimed at external stakeholders. These include concepts aimed at users, local communities, target groups, etc. developed by the Group and its subsidiaries or through strategic partnerships.

### SCHIBSTED FUTURE REPORT

In 2014 we published the first-ever Schibsted Future Report. The report is Schibsted Media Group's take on some

of the profound changes in user behavior and technology that are revolutionizing people's everyday life all over the world – and of the opportunities these changes offer. Our mission of "Empowering people in their daily life" implies a responsibility to act as a driving force in the digital transformation of society by providing digital consumers with innovative, high-quality and user-friendly products. The Schibsted Future Report is an attempt to gather and understand some of the digital trends we see today and which we believe will evolve and impact users, readers, and businesses in the years ahead.

### THE CHANGING MEDIA LANDSCAPE

Major changes are taking place both in our industry and in the world around us. Over the past few years, the media industry has been transformed by disruptive technologies, new distribution methods, and new ways

to consume information. Explosive growth in mobile, news on demand and web TV consumption are signs of a diverse, multi-faceted publishing landscape. While facing these changes, our media houses are transitioning from print organizations to online organizations.

Although the media landscape is changing, the role of the media remains the same, though is perhaps more important than ever. Faced with an abundance of information from a multitude of sources, the need for relevant and credible information is greater than ever. The ability to highlight and facilitate discussions on critical issues in society, amplify the voices that cannot be heard on social media and place events in a larger context all remain important aspects of this role. This is how the media move society forward.

In Schibsted, we believe that our efforts to build world-class digital media houses will enable us to manage this important role even better. The digital platforms offer new opportunities for increased product relevance through continuous live coverage, interactive storytelling across multiple channels, and increased reader involvement. Continuous live reporting implies that journalistic decisions must be made in a fraction of the time available in traditional media; this, however, must not be allowed to compromise the quality and credibility of our content.

Articles published on all our media houses' online platforms are open to comment by our readers. Increased reader involvement, facilitated by mobile platforms, strengthens transparency and focuses on quality in the relationship between the readers and the

journalists. Moreover, the digital debate arenas bring public debate to more citizens and enable more people to have their voice heard.

The media houses have implemented several measures to prevent harassment, threats, and hateful comments. Our moderators monitor debates and remove comments that are deemed inappropriate. Most of our media houses require people to be logged in via social media etc. to be able to comment on articles. In addition to traditional news reporting, our media houses have also created several new meeting places for our users, places where they can share knowledge and experiences with each other.

#### **ONLINE CLASSIFIEDS: A PEOPLE'S MOVEMENT**

Our classified operations are online marketplaces that facilitate transactions of goods between individuals. In several of our markets, the classifieds sites have become a 'people's movement,' where secure and simple solutions create new possibilities for consumers. In our mature markets, the users add value to the marketplace by inventing new ways of trading. Our marketplaces are simple, practical, and local, and create a personal relationship between buyer and seller. The many ways in which our marketplaces empower people to help each other therefore align perfectly with the Group's mission.

Our online services facilitate transactions of goods and services between individuals and companies and serve as portals for retrieving information. Consumers use our marketplaces to search for information they need in their daily life, enabling them

to make better informed and smarter purchase decisions.

Some examples from our subsidiaries are presented below.

#### **DEMOCRACY AND FREEDOM**

By promoting and defending democracy and freedom of speech, practicing reliable and independent journalism, and facilitating marketplaces for services and jobs, we play a positive and important role in society and in people's lives.

**Aftenposten – Sweatshop – deadly fashion**  
In April 2014 Aftenposten published the video series "Sweatshop – deadly fashion". In five episodes, the series follows three Norwegian teenagers visiting Cambodia. The purpose of the trip was to describe the working conditions of the country's textile workers. The youngsters gained insight into the working conditions in a textile factory, experienced the hardship of living on a textile worker's wage, and visited one of the textile workers at home. The video series received considerable attention in Norway, and by September 2014 it has reached almost 800,000 viewers. Aftenposten followed up with editorial coverage from the current affairs and features desks, the financial desk wrote a story on the key players and owners of the largest fashion producers in Scandinavia, and the youth commentary section (Sl:D) published letters written by the teenagers while they were on the road in Cambodia.

#### **EMPLOYABILITY**

Several of the countries in which we operate have high unemployment rates, particularly among young people. Several of our classifieds sites and job sites represent

an important source for the unemployed to find jobs in a tough job market. As an example, more than 750 000 new job ads were posted on our job classifieds site in Spain and Italy in 2014.

**InfoJobs.es – Improving employability**  
InfoJobs Spain is a member of Prepárate, a collaborative jobs venue, organized voluntarily by HR and coaching expert companies. Under this project InfoJobs shares knowledge and tools to help job seekers to improve their employability by focusing on their personal and professional development. In 2009, InfoJobs launched InfoJobs Commitment, a series of initiatives aimed at increasing employability among vulnerable groups such as the young, the unemployed, and the disabled, all of whom are particularly affected by the financial crisis. To date, InfoJobs has launched a total of 16 Compromiso (commitments).

#### **YOUTH**

**Svenska Dagbladet – Helping young people improve reading and writing skills**  
In May 2014 Svenska Dagbladet launched a new website to stimulate interest in reading and writing and to aid teaching. The deterioration in Sweden's upper-secondary school pupils' reading and writing skills is causing general concern and has added further fuel to the debate over education in schools. The site provides teachers, parents, and pupils with useful tools to stimulate interest in reading and writing and to aid teaching. It also contains guides to journalism for teachers to use in the classroom. Many teachers devote a lot of time to finding the right kind of original texts for their pupils to use in connection with writing columns or news articles.

*"This is essentially an issue of democracy in the sense that reading and writing skills are the cornerstones of democracy. Our experience is that the issue of school education is currently attracting a lot of interest, not least among our readers. It's vital that our young people can read and write without difficulty, and for us to be able to contribute to that feels important, inspirational, and fun. You could say that this is closely related to Svenska Dagbladet's trademark."*

Gunilla Asker, CEO, Svenska Dagbladet

**Aftonbladet – Svenska Hjältar school project: Discussing ethics and moral courage with young people**  
Aftonbladet's annual campaign Svenska Hjältar [Swedish heroes] pays tribute to everyday heroes through editorial coverage across all platforms. The project started as a response to one of the most common criticisms of the media in general and of the tabloids in particular of reporting only negative news. The 2014 edition was the sixth in the series. In 2014 the school

visits continued, and the tour, headed by Svenska Hjältar's spokesperson Mark Levengood, visited a total of 4,400 ninth graders in ten different cities to discuss ethics, moral courage, and humanity based on five Swedish heroes' stories. In the five videos, which are also featured on the Svenska Hjältar website, five young people talk about preventing rape, bouncing back from a life-changing accident, overcoming drug abuse, intervening when children are abused, and speaking up against bullies.

**Politism.se – Revitalizing the political debate among young people**  
Politism.se was launched in 2013 with the objective of putting news in a political context and revitalizing the political debate among young people. The site was created as a response to the fact that many young people are politically engaged, but have nowhere to channel this engagement. The site has a unique five-step model for reader comments, reader interaction and reader influence over the news that is published on the site, and is unlike any other media channel

in Sweden today. Politism.se was nominated for the Swedish Magazine Publishers Association digital publication award in 2014.

**Blocket – Partnership with Retoy: Teaching sustainability through play**  
Blocket has a strategic partnership with Retoy.se, a charity that creates arenas and events where children discover how fun and easy it is to be sustainable and environmentally friendly. At the events, children practice sustainable consumption in toy swap bazaars, and recreate new toys from old toys and recycled materials in Retoy Labs. Through participating in these events the children also learn about the United Nations Convention on the Rights of the Child. Blocket supports the charity through quarterly donations and employee participation in Retoy's events.

**Bergens Tidende and Aftenposten – Debate arenas for youth**  
Aftenposten's SI:D (launched in 2005) and Bergens Tidende's BTbatt (launched in 2008) are arenas where youth between the age of 13 and 18 can participate in public debates by expressing their opinions, thoughts, and concerns. The print and online editions are dedicated to debate articles written by young people.

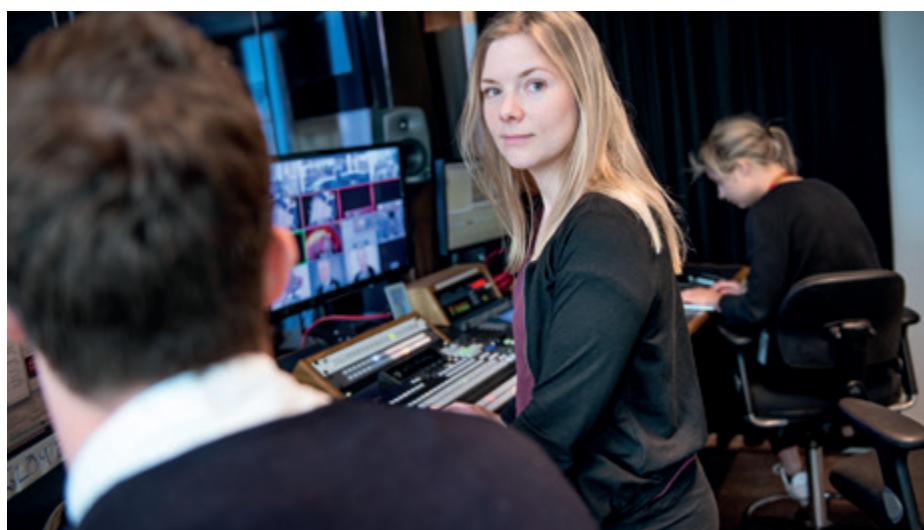
## AWARDS

Schibsted's media houses received several awards in 2014. For a full listing of these awards, visit the 2014 Annual Editorial Report due for publication in May 2015.

## INCREASING TRANSPARENCY IN CONSUMER MARKETS

### Personal finance

In recent years, Schibsted Media Group has launched several services that contribute



to increased transparency in the field of consumer services. These services are easy to use and provide an efficient way for consumers to compare different service providers. One such example is Lendo, a marketplace for consumer loans in Sweden and Norway. When customers submit applications for consumer loans through Lendo, they receive offers from several banks, making it easier to compare terms and choose the bank with the best offer.

## **SERVICES**

[Mittanbud.no](#) is another example of a service that increases transparency. Launched in 2009, it has become the leading online marketplace for connecting buyers and sellers of services in Norway. The service was first developed to advertise skilled trades and services, but has since been expanded with new services every year. Since its launch, Mittanbud.no has handled over 400,000 projects throughout the country. The site also provides users with advice on how to write contracts and how to verify the quality and professionalism of service providers, including supplier evaluations posted by users. To date, 30,000 suppliers have registered, and users have posted more than 33,000 supplier evaluations of work performed.

## **Human rights, labor rights and professional development**

Schibsted supports and values international human rights principles, and works to ensure that the Group is not involved in any breaches of human rights. An important

element in these efforts is the right to freedom of expression.

Schibsted Media Group recognizes our employees' right to freedom of association and collective negotiations, and facilitates elections of employee representatives. Schibsted also recognizes the International Labor Organization's fundamental conventions and national legislation on labor standards. Schibsted practices a policy of zero tolerance of forced labor and child labor across the Group, and managing this risk is high on our agenda.

The companies' working environment committees work continuously to facilitate a good working environment and thus minimize workplace discrimination.

## **EMPLOYEE REPRESENTATION**

De ansattes representasjon er ivaretatt. Employee representation is safeguarded in several ways. The main arenas for employee representation are listed below. For more details, visit [www.schibsted.com](#).

1. Employee representatives on the Group Board: To date, the Group Board consists of 10 members, three of whom are employee representatives elected by the employees for two-year terms
2. Group employee representatives: Schibsted currently has three full-time Group employee representatives. Their task is to safeguard the interests of all employees in matters dealt with at Group level.
3. Schibsted European Work Council (EWC): the EWC is intended to serve as a forum for information, dialog, and consultation between employees and the Group Management Team.

The EWC currently consists of 35 representatives elected by and among the employees. The EWC convenes twice a year.

Our Group employee representatives visit our subsidiaries on a regular basis and review local working conditions and the results of the annual Schibsted Employee Survey with the local management. The representatives also organize meetings to which all local employees are invited to inform them about the different levels of employee representation within the Group.

## **EQUAL OPPORTUNITIES**

Schibsted is a knowledge enterprise that is reliant on talented employees. Principles governing equal opportunities are stated in our Code of Conduct. We will ensure that employment-related decisions are based on relevant qualifications, merit, performance, and other job-related factors, and we will not tolerate discrimination in employment. As an example, Schibsted has a clear objective to provide equal development opportunities for men and women. We strive to achieve a good gender balance when recruiting candidates for our competence and trainee programs. The Group Management Team has implemented initiatives to further enhance gender equality. Since 2011 all business units within Schibsted report on gender equality when hiring or promoting to management positions as part of their quarterly reports to the Group Management Team and the Group Board. Each company and unit carefully monitors their employee surveys and implements actions based on the results.

## PROFESSIONAL DEVELOPMENT

Competence building and organizational development are critical to Schibsted's future success. As a knowledge enterprise in a disruptive industry, ensuring that our people have the right competence and expertise is a strategic priority. We have several competence-based learning programs including innovation and brand building such as Schibsted Sales Academy, Schibsted Sales and Business School, and Schibsted Journalism School. We also have cross-functional programs such as the Management Training Program, the Project Management Program, the Mentor Program, and the Continuous Improvement Program. For more information on professional development in Schibsted Media Group, visit [www.schibsted.com](http://www.schibsted.com).

## Environment

Schibsted Media Group aims to ensure that protecting the environment becomes an integral part of daily activities across the Group. Our principles related to the environment are included in our corporate social responsibility policy. Our ambition is to continuously work to reduce the environmental impact of our operations. Additionally, we want to contribute to reducing the environmental impact of society at large by giving people the opportunity to make environmentally friendly choices by buying second-hand goods. We are continuously striving to adapt the best practices of our subsidiaries across the Group.

With the exception of our printing plants, the extent of environmental impact through pollution by our operations is very limited extent. More details about the impact of

our operations on the environment are provided below.

### CLASSIFIEDS

Schibsted Media Group is a major player in the second-hand market through our online classifieds sites. Our marketplaces extend the economic life cycle of a range of products and contribute to reducing the need for manufacturing new ones, thus alleviating the pressure on critical resources. In 2014 more than 327 million ads were posted on our largest classifieds sites: Blocket, Leboncoin, Subito, Willhaben, Bomnegocio, and Segundamano. These sites facilitate the exchange of millions of used items per year, to a value of several billion euros.

Scandinavian consumers buy more and more second-hand goods for every year that passes. In addition to the financial benefits of shopping second-hand, studies in Sweden show that environmental considerations have become an increasingly important driver buying and selling in this marketplace. The more than 300,000 ads at Finn's "giveaway" category clearly show that Norwegians are increasingly focusing on finding new owners for their used goods. Since 2004, the number of ads in Finn has increased from 150,000 to more than 2 million. The introduction of free ads to the generalist vertical resulted in a tripling of ads posted in 2014. Finn publishes an annual trend report which includes the key figures and developments in the Norwegian market for used goods.

In 2014 two of our subsidiaries organized successful campaigns promoting the environmental benefits of second-hand goods. Blocket captured the attention of

the Swedish people during the summer and autumn with several campaigns on the environmental benefits of buying and selling second-hand. The campaign was launched on 19 August, World Overshoot Day, in cooperation with Aftonbladet. The campaign, called "Together we make a difference", was followed up by a new advertising film called "Thank you for buying and selling second-hand" and more recently "Second-hand challenge" where Swedes were challenged to not buy any new goods for a 21-day period. The campaign site was visited by 55,000 unique users, and a total of 1,000 people signed up for the challenge.

Finally, for Christmas, Blocket produced a short film in which children and adults gave their views on a sustainable Christmas. The film was spread in social media and received a warm reception.

In the fall of 2014 Subito.it launched a PR campaign aimed at convincing Italians of the benefits of trading second-hand.

### Blocket – Environmental initiatives

Blocket is in many aspects our most advanced subsidiary when it comes to actively managing the environmental impact. In 2012 Blocket initiated an environmental study together with the IVL Swedish Environmental Research Institute to examine the environmental impacts of Blocket. The results of the study, which were published in May 2013, were impressive: Blocket users' potential for reducing greenhouse gas emissions and the environmental benefits of second-hand trading amounted to an impressive 1.6 million tons of CO2 equivalents. Achieving an equivalent reduction in greenhouse gas emissions would require



stopping all road traffic in Stockholm for one and half years or all road traffic in Sweden for one month. An updated version of the study was presented in Blocket's annual environmental report in 2014 along with information about Blocket users' potential for reducing greenhouse gas emissions and the climate benefits of second-hand trading.

In 2014 Blocket launched its sustainability website [blocket.se/hallbarhetsarbete](http://blocket.se/hallbarhetsarbete), providing information on Blocket's sustainability approach, inspiring sustainable consumption, as well as Blocket's initiatives to reduce the company's carbon footprint.

Blocket has also implemented an environmental policy formalizing principles related to the use of technology, recycling, and energy.

Kundkraft.se – Shifting to green energy  
In December 2014 [Kundkraft.se](http://Kundkraft.se), a site

where consumers can compare prices between electricity suppliers, announced that they would only procure electricity from 100-percent renewable sources – and offer it at the same low prices.

#### **AWARDS AND NOMINATIONS**

In May 2014 Blocket won the prestigious Swedish Recycling Industries Inspirational Award for encouraging the reuse of products. The Swedish Recycling Industry citation read: "Blocket has contributed to a significantly more efficient use of resources by creating a marketplace for reuse of products that are not discarded but can be used again by a new owner. By stimulating the market to use products over and over again, before they ultimately become waste, the winner has helped to reduce the extraction of virgin raw materials and carbon footprint significantly."

#### **PRINTING PLANTS**

Up to the printing stage, production of the

Group's newspapers is a digital process and has little impact on the external environment. A newspaper printing plant has a relatively neutral effect on the environment, and the chemicals used to produce the newspapers are treated as special waste and recycled as far as possible. Agreements with approved transport companies ensure safe collection of special waste. Negotiations with paper suppliers are conducted at Group level, and all paper suppliers to our plants meet strict environmental criteria such as the Swan Eco Label, the Forest Stewardship Council, and the Programme for the Endorsement of Forest Certification.

All companies in Schibsted Media Group operate in compliance with applicable environmental regulations. Schibsted currently owns four printing plants: one in Oslo, two in Bergen and one in Stavanger. Our newspaper production processes are digital all the way to the printers.

If polluting chemicals are used, the processes take place in closed systems. Source separation processes have been introduced for almost every type of waste. Schibsted Norge Trykk in Oslo now separates as much as 99 percent of its waste. Special waste is collected by approved transport companies, and the general volume of waste has been significantly reduced. Waste paper, cardboard, waste products from paper reels, and undistributed newspapers account for as much as 96 percent of the total waste volume.

The printing plant in Oslo is a member of Grønt Punkt, a waste recovery and recycling company, and pays an environmental fee to ensure proper treatment of all packaging and supervision of external suppliers. The Oslo printing plant issues annual environ-

mental reports on their environmental policy and on the environmental impact of their printing processes.

Normal operations do not involve any risk of harmful emissions from the printing plants. All the printing plants owned by Schibsted in Norway are licensed under the Nordic Eco Label scheme to use the Swan Eco Label on all printed matter produced. The Swan Eco Label is the best known and most frequently used eco-labeling scheme in the Nordic countries.

Our companies in Sweden use V-TAB for most of their printing needs. V-TAB operates a system for environmental and quality control, and nine of its ten printing plants are certified under ISO 14001:2004 and ISO 9001:2008. Our printing plants in

Sweden are licensed to use the Swan Eco Label on all the print items they produce.

Our companies in Spain and France use multiple printing suppliers for their printing needs, and most of them are certified under recognized environmental standards. The Group's newspaper companies in Norway, Sweden, Spain, and France arrange for unsold newspapers to be returned and sold for recycling.

As a direct consequence of digitalization and structural changes in the media industry in Scandinavia, paper consumption levels at our printing plants continue to decrease.

## MEASURES TO REDUCE ENVIRONMENTAL IMPACTS BY OUR SUBSIDIARIES

### Property

Schibstedhuset, located in central Stockholm, is one of the world's most advanced office buildings in terms of energy efficient solutions and materials. Its energy consumption is a third of what is usual for equivalent buildings. Surplus energy is obtained by recovering excess body heat produced by the 200,000 commuters who pass through the Central Railway Station every day. Cooling comes from Lake Klara (a canal in central Stockholm). In its relocation process, Schibsted Sverige made several conscious choices to reduce its environmental impact, such as effective use of office space, video conferencing facilities, renovation of existing furniture, indoor environmental requirements, lighting control, follow-me printing systems, environmental requirements for cleaning services, coordination of transport, and systematic waste management.

According to a study conducted in cooperation with KTH Stockholm, our Swedish

### 1 Trend in printing plants' consumption of paper, printing ink and electricity

	2014	2013	2012	2011
Paper (thousand tons)	68	100	118	121
Printing ink (thousand tons)	1.7	2.3	2.7	2.7
Electricity (GWh)	28.5	36.9	38.9	43.6

### 2 Total emissions from main operations

	2014	2013	2012	2011	2010
Newspaper	tCO2e	47,562	57,544	58,561	62,521
Paper, heatset	tCO2e	504	690	652	721
<b>Total</b>	<b>tCO2e</b>	<b>48,066</b>	<b>58,234</b>	<b>59,213</b>	<b>63,242</b>
Transportation and stationary combustion					
Transportation	tCO2e	1,494	1,940	1,812	1,667
Stationary combustion	tCO2e	159	166	173	254
<b>Total</b>	<b>tCO2e</b>	<b>1,654</b>	<b>2,106</b>	<b>1,985</b>	<b>1,921</b>
Electricity					
District heating/cooling	tCO2e	144	434	456	343
Other electricity	tCO2e	3,541	5,234	5,374	4,872
<b>Total</b>	<b>tCO2e</b>	<b>3,685</b>	<b>5,668</b>	<b>5,831</b>	<b>5,215</b>
<b>Total emissions</b>	<b>tCO2e</b>	<b>53,404</b>	<b>66,008</b>	<b>67,029</b>	<b>81,694</b>

operations have reduced their environmental impact by more than 50 percent since relocating to Schibstedhuset in 2011. Schibsted Sverige measures the environmental impact of its energy consumption, business travel, transport, and commuting on an annual basis. A report with a detailed analyses and a breakdown of the main figures is prepared, and the key figures are presented to the Swedish management team.

Schibsted Sverige has several ongoing initiatives, including development of an environmental policy for Schibsted Sverige and an application for environmental certification for Schibstedhuset. The Group Management Team will investigate how we can formalize and implement the Swedish practices throughout the Group. All the Group's major subsidiaries have implemented measures to reduce their environmental impact, notably through recycling and waste management initiatives.

#### **CARBON DISCLOSURE PROJECT**

Every year, Schibsted conducts a survey of emissions of greenhouse gases in our main subsidiaries. The results of the survey form the basis of reports to the Carbon Disclosure Project. A summary of emissions from the Group's 20 largest subsidiaries is presented on the previous page. For more information on the Carbon Disclosure Project, visit [www.cdpproject.net](http://www.cdpproject.net).

## **Governance and ethics**

Good corporate governance is an important premise for achieving our mission and vision. Schibsted Media Group emphasizes openness, transparency, accountability, equal treatment, and a long-term perspective in

our way of doing business. For more information on governance in Schibsted Media Group, please refer to the Statement of Corporate Governance.

#### **TINIUS TRUST**

The Tinus Trust was founded by Schibsted's previously largest owner, Tinus Nagell-Erichsen. "The ownership must uphold the freedom and independence of Schibsted's media services," said Tinus Nagell-Erichsen. His justification for setting up the trust was to consolidate his ownership interest in the Schibsted Group in order to create confidence that Schibsted's newspapers and other media outlets would always be able to maintain their position as free and independent. Nagell-Erichsen wanted to use his influence to protect Schibsted as a group of free and independent editors, characterized by trustworthiness and quality combined with a long-term and healthy financial development. He also wanted to ensure that the Group's publications upheld values such as freedom of religion, tolerance, human rights, and democratic principles. These principles are enshrined in the Trust's articles of association and reflected in the Group's articles of association and the framework for editorial governance.

More information about the Tinus Trust can be found at [www.tinus.com](http://www.tinus.com).

#### **SCHIBSTED MEDIA GROUP'S CODE OF CONDUCT**

One of Schibsted Media Group's core values is integrity. Integrity has always been a vital part of how we do business, as it is decisive for maintaining the trust on which a media organization depends. For many years now Schibsted Media Group has

demonstrated – and continues to demonstrate – high standards of integrity.

In December 2011 the Group Board adopted the Schibsted Media Group Code of Conduct. The Code of Conduct clearly supports the Group's value of integrity, and applies to all Group Board members and employees of Schibsted Media Group, including entities in which we own more than 50 percent voting rights. Where Schibsted Media Group does not exercise such control, the Board members appointed by Schibsted shall promote the main principles outlined in the Code of Conduct.

The Code of Conduct serves as a guide for individual employees' daily business interactions, and clarifies the Group's standard for proper conduct in a number of areas. The way in which we interact with each other, our customers, our suppliers and our users, helps build Schibsted Media Group's reputation as a media group with high integrity. For more information, please refer to Schibsted Media Group's Code of Conduct.

Schibsted Media Group's expansion into emerging markets in recent years has implied working in new cultural environments. While this may represent challenges with respect to the Code of Conduct, we believe that our corporate culture, governance model, and close follow-up of local management contribute to reducing the risks associated with internationalization. We work continuously to improve communication, understanding, and monitoring of compliance with the Code of Conduct in our emerging and established markets. We shall continue and strengthen our efforts to be acknowledged as a media group with

a strong commitment to integrity in all our operations.

After implementing the Code of Conduct throughout the Group in 2012, we focused on assessing performance and identifying improvement areas in 2013. In 2014 we focused on integrating training in our Code of Conduct with our existing training programs, such as the Schibsted Sales Academy, the Schibsted Leadership Program, the Management Trainee Program, Schibsted Journalism Academy, and the Project Management Program. In the annual Schibsted Employee Survey, 70 percent of respondents stated that they have gained an understanding of the Code of Conduct.

#### **WHISTLEBLOWING**

Schibsted Media Group promotes a culture in which discussing compliance issues is an integrated part of our business and in which employees should feel comfortable raising compliance issues with their colleagues and superiors.

There are a number of channels available for reporting compliance concerns, one of them being the Schibsted Media Group SpeakUp system, implemented in 2012. The SpeakUp system is a last-resort tool for reporting compliance issues, offering anonymity for the reporter as well as the opportunity to establish a dialog. Reports can be made in the reporter's native language by a web interface or telephone. The handling of reported compliance concerns through the SpeakUp system is outsourced. For more information, please refer to Schibsted Media Group's Code of Conduct.

No material compliance concerns were raised through the SpeakUp in 2014.

#### **ANTI-CORRUPTION**

Schibsted Media Group practices a policy of zero tolerance of corruption. Our Code of Conduct covers principles related to bribery and facilitation payments, business gifts, and entertainment, and provides our employees, leaders, and Board members with guidance on this important issue. Please refer to our Code of Conduct for more information on how to report compliance issues and on our principles regarding corruption.

In 2011 Schibsted Media Group became a member of Transparency International. Transparency International raises awareness of the damaging effects of corruption, and works with partners in government, business, and civil society to develop and implement effective measures to handle corruption.

Transparency International's report includes requirements on country-by-country reporting. We disclose the legally required country-specific information for our largest operations. Although our ambition is to be open and transparent about our operations, the requirements on the country-by-country figures would compromise information about certain markets that are sensitive from a strategic and competition point of view. We therefore chose not to include such reports for all countries, but will review this decision on an annual basis.

#### **SUSTAINABLE INTERNATIONALIZATION**

In 2011 the Group Board approved Schibsted Classified Media's Guidelines on Internationalization. These guidelines align with official Norwegian foreign policy and the principles set out in the 2009 Government white paper on corporate social responsi-

bility in a global economy. When launching operations in new countries, the following principles apply:

- Strict adherence to the ten principles of the UN Global Compact and their inclusion in the employment contracts of all personnel
- An obligation to enforce adherence, and reasonable efforts to ensure compliance by employees, partners and suppliers.

Furthermore, the decision to launch in a new country is subject to approval by the Group Management Team.

#### **OPERATING IN COUNTRIES SUBJECT TO SANCTIONS**

The Group's classifieds site Kufar is located in Belarus, a country that is currently subject to sanctions imposed by the EU and the Norwegian and US governments. Kufar's operations are not directly affected by the sanctions. However, the Group Treasury and Compliance Officer have had close dialog with the general manager of Kufar to ensure that our site prohibits the sale and purchase of embargoed goods and all dealings with the persons, companies and entities listed in the sanctions.

## **Charity and humanitarian activities**

As of 31 December 2014 the Group has no strategic partnerships at Group level. However, several of our subsidiaries have engaged in charity and humanitarian work in 2014. Furthermore, the employees of several subsidiaries, including VG, Fædrelandsvennen, and Aftenposten, decided to forgo

their annual Christmas present and donate money to various charities instead. A selection of initiatives by our people and subsidiaries in 2014 is presented below.

#### Finn's partnership with SOS Children's Villages

Finn partnered SOS Children's Villages and built a house in the "Football Village" in Livingstone, Zambia. The house is called "The House of Opportunities". Growing up here gives children the opportunity to lead a meaningful life. The house opened in autumn 2008, and is part of a village that houses 179 children. The initiative is run by a group of enthusiasts in the company, and Finn annually contributes towards the operating costs of the house. In recent years, Finn employees have donated money to this project instead of receiving company Christmas gifts and have contributed towards developing a new mobile-based donor concept called SOS MAYDAY.

#### DoneDeal Foundation

In February 2010 DoneDeal began work on systemizing its charity activities. In 2012 the DoneDeal Foundation was created to formalize the company's philanthropic activities, and in 2014 it organized six DoneDeal charity months during which the company donated 10 percent of every new ad placed on DoneDeal to three charities nominated by its users and selected by staff members at DoneDeal. As of November 2014, EUR 192,860 had been donated to Irish charities. The DoneDeal foundation focuses on charities that operate in four main categories: people, education, health, and animals. Using the power of e-commerce on the DoneDeal site, the Foundation supports multiple charities by providing funding that can significantly



impact the work they do. Funding is designed to ensure the effectiveness, impact, and long-term success of individual charities and groups. The foundation also supports communications efforts by advertising through its commercial site to raise awareness about the organization and increase its impact.

#### Let's Deal – Fundraising event for children's rights.

Let's Deal in Sweden organized a clearance sale where members could buy Christmas presents at the same time as they raised money for Barnens rätt i samhället (Children's rights in society) (BRIS). Many children living in Sweden do not have the good fortune of enjoying that typical cozy,

Christmas spirit. So, on 26 November, Let's Deal held a clearance sale event in Gothenburg with two goals: to give Let's Deal members a chance to buy their Christmas gifts at affordable prices and to raise funds for the organization BRIS.

The prices were heavily reduced from the previous deal prices, which meant that many members could do their Christmas shopping way ahead of time. The event was attended by 500 Let's Deal members and raised a total of SEK 25,000 for BRIS.

# STATEMENT OF CORPORATE GOVERNANCE

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Good corporate governance is an important prerequisite for achieving Schibsted Media Group's vision and for implementing our strategy. Sound corporate governance contributes to the Group's long-term value creation and ensures effective and sustainable use of the Group's resources.

Schibsted Media Group is a listed company, and our guidelines for corporate governance are in accordance with the Norwegian Code of Practice for Corporate Governance, the current edition of which was published on 30 October 2014 and is available at [www.nues.no](http://www.nues.no). The Group Board's Statement of Corporate Governance follows the structure of the Code. This statement also includes an item describing other key functions within the Group (item 16) as well as information on corporate governance, pursuant to the Accounting Act, section 3-3b.

Corporate governance in Schibsted is subject to annual review and consideration by the Group Board, which also reviews the content of this Statement of Corporate Governance.

# 1.

## Statement of corporate governance

The Group Board has approved the Group's policy for corporate governance that the Group will comply with the Norwegian Code of Practice for Corporate Governance.

The Group's values represent an important foundation for corporate governance and are important for developing a sound and strong corporate culture.

- We have integrity
- We are innovative
- We are a team
- We are here to win

More details on our mission, vision and values are available on our website [www.schibsted.com](http://www.schibsted.com).

### ETHICS AND CORPORATE SOCIAL RESPONSIBILITY

A sound corporate culture is essential to building and maintaining trust both internally and externally. Schibsted's Group Board prepared a Code of Conduct which was approved by the Board in December 2011. The Code of Conduct applies to the Group Board members and to all employees within Schibsted Media Group. The Code of Conduct includes our key principles and ethical guidelines, serves as a guide for each individual employee's daily internal and external business interactions, and reflects our standard for proper behavior. The Code of Conduct is subject to periodic review, and is available on the Group's website. Additionally, some subsidiaries have adopted company-specific codes of conduct which, in addition to the principles set out in the Group Code of Conduct, also include principles pertaining to the respective companies.

Schibsted Speak Up – our whistle-blower hotline with external anonymous reporting – was launched at the beginning of 2012.

Schibsted's primary social responsibility is to safeguard and promote editorial freedom and transparent marketplaces. Schibsted aims to be a group that contributes to democracy and diversity through its integrity and editorial independence. A free and independent media is an important prerequisite and underpins strong and open democracies. Schibsted's core values rest on this foundation and are firmly enshrined in the Group's Articles of Association.

See the Statement of Corporate Social Responsibility or visit our website at [www.schibsted.com](http://www.schibsted.com) for more information about our Code of Conduct, Corporate Social Responsibility, and anti-corruption program.

## 2. Business activities

Schibsted's purpose clause reads as follows:  
*The purpose of the company is to engage in the information business, as well as related business activities. The shareholders shall enable the company to operate its information business in such a way that editorial freedom and integrity are fully ensured. The requirement for editorial freedom and integrity shall apply to all media and publications encompassed by the Norwegian and international activities of the Schibsted Group.*

The Articles of Association are presented on our website, [www.schibsted.com](http://www.schibsted.com).

Schibsted Media Group is an international media group headquartered in Oslo. Schibsted has operations in 31 countries. Schibsted's strategy comprises two main objectives: further development of our media houses and of our worldwide online classifieds services.

Strong media houses and classifieds operations represent the core of our activities, and our corporate growth strategy is based on close collaboration between different media channels. Our objective is to develop our business activities so that we can offer our users a wide range of services, irrespective of which channels they choose to use. The diversity of Schibsted's product range is closely aligned with our strong tradition of editorial freedom and our ability to adapt to a media market that is constantly undergoing rapid change.

The Group's objectives and principal strategies are further described on the Group's website, [www.schibsted.com](http://www.schibsted.com).

# 3.

## Equity and dividend

### EQUITY

As at 31.12.14, the Group's equity is NOK 6,790 million, equivalent to an equity ratio of 38 percent. The Group Board considers this equity level appropriate to the Group's objectives, strategy and risk profile.

### DIVIDEND POLICY

Schibsted Media Group is a listed company that aims to provide a competitive return based on a sound financial position. The Group Board considers it essential that the company's shares be perceived as an attractive investment. One of the financial targets is therefore to maximize the shareholders' return through long-term growth in the share price and dividend. Schibsted's target is to have a fixed dividend payout ratio which, over time, should be 25-40 percent of the Group's normalized cash flow per share. The Annual General Meeting approves the annual dividend based on the Group Board's recommendation. The Group's dividend policy is described in more detail under Share Information.

### PURCHASE OF OWN SHARES

To allow flexibility in its capital management strategy, the Group Board has requested the Annual General Meeting for authorization to repurchase the Group's own shares. Such authorization is granted by the Annual General Meeting for one year at a time. At the Annual General Meeting in 2014, the Group Board's authorization to repurchase own shares in accordance with the Norwegian Public Limited Liability Companies Act was

extended. The authorization states certain terms and conditions:

- a) *The authorization is valid until the next Annual General Meeting of Schibsted ASA in 2015 (i.e. until no later than 30 June 2015).*
- b) *The total nominal value of the shares acquired under this authorization may not exceed NOK 10,800,361.*
- c) *The minimum amount that can be paid for a share is NOK 30. The maximum amount that can be paid for a share is NOK 500.*
- d) *The Board is free to decide the acquisition method and possible later sale of the shares.*
- e) *The shares may serve as settlement in the Company's Long-term Incentive Program (LTI Program) and Employee Share Saving Program (ESS Program), and may also be used in connection with mergers, demergers, acquisitions and divestments. The authorization may also be exercised in a takeover situation.*

The authorization may also be used to buy or sell shares in takeover situations. See item 14 of this statement for further details.

Further details on how the authorization has been used are provided under Share Information.

# 4.

## Equal treatment of shareholders and transactions with related parties

Schibsted has one class of shares, with each share carrying equal rights.

### RESTRICTIONS ON OWNERSHIP AND VOTING RIGHTS

Based on Schibsted's publishing responsibilities and role in society as a media company, Schibsted's independence and integrity are safeguarded through restrictions on ownership and voting rights laid down in the Articles of Association. Article 6 states that no shareholder may own or vote at the Annual General Meetings in respect of more than 30 percent of the shares.

Article 7 states that important decisions relating to the Group's key companies must be submitted to Schibsted's shareholders for their approval. According to the wording of this provision, any amendments to the Articles of Association or any sales of shares or operations or corresponding transactions in any subsidiary must be submitted to Schibsted's General Meeting for approval, with the exception of intercompany transactions, which are exempt in their entirety. Through annual resolutions, the Annual General Meeting may authorize the Group Board to manage specific areas of the protection offered under in this provision. Such authorization was granted at the 2014 Annual General Meeting and will apply until the next Annual General Meeting. The authorization granted in 2014 states *"Pursuant to the third paragraph of Article 7 of the Articles of Association, the Board of Directors is authorized to make decisions on the following matters referred to in the second paragraph, litra a of Article 7 of the Articles of Association:*

- a) *Voting relating to amendments to subsidiaries' Articles of Association.*
- b) *Decisions to sell shares or operations, including private placements, mergers or demergers, in subsidiaries when the net payment (sales amount, merger or*

*demerger payment, etc.) does not exceed NOK 1 billion after financial adjustments. Within the framework of the Group CEO's general authorization, the Board of Directors may delegate its authority pursuant to this authorization to the management. A director appointed pursuant to the second paragraph of Article 8 of the Articles of Association may demand that certain matters which are covered by this authorization are nonetheless to be submitted to the General Meeting for its decision."*

In general, this means that major transactions are covered by the Group Board's authorization and must therefore be submitted to Schibsted's General Meeting. The proposal is explained in more detail in the notice of the Annual General Meeting.

### TRANSACTIONS INVOLVING OWN SHARES

The acquisition of own shares, in accordance with the Group Board's authorization referred to in item 3 of this statement, must take place in the market at the stock exchange price and in accordance with generally accepted Norwegian stock exchange practices. Acquired shares may be sold in the market or used as settlement for the acquisition of businesses, for general share schemes for the Group's employees, and for the Group's Long-Term Incentive Program (LTI Program) for selected Group managers. The LTI Program is described in more detail in the Statement of Executive Compensation and in the notice of the Annual General Meeting.

### TRANSACTIONS WITH RELATED PARTIES

In 2014, the Board determined that there were no transactions between the Company and its shareholders, Group Board members, executive personnel, or related parties that could be described as material transactions and as such require valuation by an independent third party.

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# 5.

## Freely negotiable shares

Schibsted's shares are freely negotiable subject to the restrictions stated in the Articles of Association, Article 6, which states that no shareholder may own or vote at the Annual General Meetings in respect of more than 30 percent of the shares.

Schibsted has introduced its Long-term Incentive Program (LTI Program), which is a performance-based share purchase program that targets a large group of managers. The LTI Program provides settlement in Schibsted shares. There are some restrictions on the sale of shares distributed through the LTI Program. See the Statement of Executive Compensation for further details.

# 6.

## General meetings

The shareholders exercise the highest authority through the Annual General Meeting. The Annual General Meeting considers and decides on matters that are important to Schibsted in a way that reflects the shareholders' views.

The Annual General Meeting must be held within six months after the end of each financial year. Extraordinary General Meetings are held as required, in accordance with the Articles of Association or the Public Limited Liability Companies Act, or if required by at least five percent of the shareholders.

### NOTICE

The Annual General Meeting for this year is scheduled for 8 May 2015. The notice of the Annual General Meeting and documents to be considered are posted on the Schibsted website no later than 21 days prior to the meeting. Shareholders not registered electronically will receive the notice by regular post with information on how documents to be considered at the meeting may be downloaded from our website. The deadline for electronic registration is two working days prior to the meeting.

### ATTENDANCE

Representatives of the Group Board, at least one representative of the Nomination Committee, and the external auditor are required to attend the Annual General Meeting. At a minimum, the Group's CEO and CFO must attend the meeting as representatives of the management.

Shareholders who cannot attend the Annual General Meetings but who wish to exercise their voting rights may authorize a proxy by the deadline for registration. An authorization form containing voting instructions may also be given to the Chair of the Group Board. The authorization form is enclosed with the notice of the Annual General Meeting. More information on how to appoint a proxy and how to propose resolutions for consideration by the meeting is stated in the notice of the Annual General Meeting and on Schibsted's website.

In 2014, the Annual General Meeting was held on 7 May. Seventeen shareholders were present or were represented by proxies and thus 53.9 percent of the aggregate share capital was represented.

### AGENDA

The agenda is prepared by the Group Board, and the agenda items must comply with Article 10 of the Articles of Association.

Minutes of the Annual General Meeting are made available on the Group's website at [www.schibsted.com](http://www.schibsted.com).

# 7.

## Nomination Committee

The Nomination Committee is regulated by the provisions in Article 10 of Schibsted's Articles of Association, which also states the Nomination Committee's mandate.

### THE WORK OF THE NOMINATION COMMITTEE

The Nomination Committee prepares a recommendation to the Annual General Meeting regarding the election of shareholder representatives and their deputies to the Group Board. The Nomination Committee's most important task is to continually review the Group Board's overall expertise and experience in relation to the challenges facing the Group at any given time.

The Nomination Committee also proposes the remuneration payable to the Group Board's members at the Annual General Meeting.

### COMPOSITION OF THE NOMINATION COMMITTEE

The Nomination Committee is elected by the Annual General Meeting for two years at a time and consists of three members. The Annual General Meeting elects the Chair of the Nomination Committee.

The majority of the Nomination Committee is independent of both the Group Board and Schibsted's management. The CEO and Chair of the Group Board attend Nomination Committee meetings as required, normally once or twice a year. Schibsted's VP Head of Investor Relations acts as secretary to the Nomination Committee.

The members of the current Committee was re-elected by the Annual General Meeting on 7 May 2014 and consists of John A. Rein (Chair), Gunn Wærsted and Nils Bastiansen.

See the Nomination Committee's Report for further details on the work of the Nomination Committee.

# 8.

## Board of Directors: composition, independence and employee representation

Schibsted is exempt from the rules governing the establishment of a corporate assembly. An agreement has been entered into with the employees regarding representation on the Group Board.

### **COMPOSITION OF THE GROUP BOARD**

Pursuant to Article 8 of Schibsted's Articles of Association, the Group Board must consist of six to eleven members in addition to deputy members. The Group's employees must be represented on the Group Board by employee representatives in accordance with prevailing agreements with the company (Representation Agreement).

At present, the Board consists of ten members, of whom seven are shareholder representatives and three are employee representatives. Two employee representatives are elected from Norway and one from the country in which we have the most significant operations outside Norway, currently Sweden.

The Annual General Meeting elects the shareholder representatives to the Board. The Nomination Committee prepares a recommendation of candidates for election to the Board. The recommendation is distributed to the shareholders along with the notice of the Annual General Meeting. The Annual General Meeting elects the Chair of the Board.

The Group Board's shareholder representatives are elected for one year at a time while the employee representatives are elected for two years at a time. Pursuant to Article 8 in the Articles of Association, any shareholder owning at least 25

percent of the shares in the company is entitled to appoint a Board member directly. Blommenholm Industrier AS, which owns 26.1 percent of the shares, is the only shareholder holding this right. At the Annual General Meeting in 2014, Blommenholm Industrier AS exercised its right to directly appoint one member and nominated Ole Jacob Sunde.

The Group Board has appointed a representative from Schibsted Editors' Forum as an observer. More information on the Editor's Forum is available on our website [www.schibsted.com](http://www.schibsted.com).

More information on the individual Board members is available on our website [www.schibsted.com](http://www.schibsted.com).

### **INDEPENDENCE OF THE GROUP BOARD**

The independence of the Group Board is described in more detail in the Nomination Committee's Report.

Pursuant to section 6-27 of the Public Limited Liability Companies Act, a Board member may not participate in the discussion or decision of any matter that is of such personal importance to himself/herself or to any related party that he/she must be deemed to have a special and prominent personal or financial interest in the matter. Each Board member is personally responsible for reviewing whether or not there are any such circumstances that are objectively likely to affect public confidence in the Board member's independence or that may lead to a conflict of interest in connection with a matter to be considered by the Board. Such circumstances must be brought to the

attention of the Chair of the Group Board. The Rules of Procedure specifically mention Board members' involvement in competing businesses.

The Board members' shareholdings are disclosed in note 12 of Schibsted ASA's financial statements. Blommenholm Industrier is Schibsted's largest shareholder. The Board of Blommenholm Industrier consists of John A. Rein (Chair), Ole Jacob Sunde and Per Egil Hegge. The Tinicus Trust controls Blommenholm Industrier.

The Tinicus Trust Board consists of Ole Jacob Sunde (Chair), John A. Rein and Per Egil Hegge. Ole Jacob Sunde is the Chair of Schibsted's Group Board. John A. Rein is the Chair of the Nomination Committee.

#### GROUP BOARD MEETINGS IN 2014

In 2014, the Group Board held a total of nine meetings, of which one was a strategy meeting lasting for two days. In addition, some issues were decided via e-mail correspondence. The Board considers such a procedure justifiable in the case of matters

that have previously been discussed at a board meeting. Meetings that are not on the meeting schedule may be conducted by telephone.

The strategy meeting is normally held in June, and forms the basis for the Group's strategy and budget processes.

## Attendance at board meetings and board committee meetings in 2014:

Attendance at meetings	Board meetings	Audit Committee meetings	Compensation Committee meetings
Ole Jacob Sunde	9/9		4/4
Karl-Christian Agerup	2/3 (until May 2014)		2/4 (until May 2014)
Jonas Fröberg	9/9		4/4
Eugénie van Wiechen	9/9		2/4 (new June 2014)
Marie Ehrling	3/3 (until May 2014)	3/3 (until May 2014)	
Arnaud de Puyfontaine	8/9	3/3 (new June 2014)	
Eva Berneke	9/9	6/6	
Christian Ringnes	9/9	6/6	
Tanya Cordrey	6/6 (new June 2014)		
Birger Steen	5/6 (new June 2014)		
Anne Lise Mørch von der Fehr	9/9		
Gunnar Kagge	9/9		

# 9.

## The work of the Board of Directors

### ROLE OF THE GROUP BOARD

The Group Board supervises both the Group's day-to-day management as performed by the CEO and Schibsted's general activities. The Group Board actively participates in shaping Schibsted's strategy, and ensures that the businesses are properly organized and that adequate governance and control systems are implemented. The Group Board also supervises the Group's financial performance, establishes necessary guidelines, and adopts plans and budgets for the businesses. The Group Board appoints the CEO and prepares the job description and terms and conditions for the position. The Group Board also considers issues pertaining to appointments to key positions within the Group.

### RULES OF PROCEDURE

The Group Board has established internal Rules of Procedure that describe the Board's responsibilities, duties and administrative procedures. The Rules of Procedure also state the CEO's duties in relation to the Board. The Board conducts an annual review of procedures for the Board and general management.

### ORGANIZATION OF BOARD MEETINGS

The Group Board works on the basis of an annual meeting schedule, which is normally agreed at the first meeting after the Annual General Meeting. The meeting schedule includes strategic planning, business issues and supervisory activities. At the same meeting, the Board appoints the members of the Board's Compensation Committee and Audit Committee. The company's Vice President Investor Relations acts as secretary to the Group Board.

The CEO, in consultation with the Chair of the Group Board, prepares matters for consideration by the Group Board.

Emphasis is placed on timely preparation and distribution of documents to ensure that the Group Board has a satisfactory basis for its work. Board meetings are presided over by the Chair of the Group Board. The Group Board convenes at a 30 minutes closed session without participation of the Group Management at the beginning of every Board meeting.

The meeting schedule, board documents and other important documents relating to the Board's work (Stock Exchange Handbook, Rules of Procedure, mandates for the Board and the committees, stock exchange notices and press releases, etc.), as well as general analyses and market information, are made available to the Board members through the Board Portal, a web-based tool for Board members. The Board Portal simplifies and rationalizes the work of the Board members and provides access to up-to-date information. It also allows the Board members to study presentations given at meetings, information on external environments, competitive situations, etc.

### GROUP BOARD'S SELF-EVALUATION

The Group Board annually evaluates its own work and submits a written report to the Nomination Committee. The report forms the basis for the Nomination Committee's annual evaluation of the Board's work. The Nomination Committee performs additional assessments of the Group Board members through interviews conducted either by the Committee's members or by external consultants. The Group Board considers itself to work well,

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with members whose expertise and experience complement each other.

#### **INTERACTION WITH THE COMPANY**

The Group Board is regularly invited to selected seminars and conferences arranged by Schibsted, such as the annual Schibsted Journalism Awards.

Schibsted is a member of the Norwegian Institute of Directors. This membership gives the Board members the opportunity to participate in seminars and discussion groups to consider key issues that affect the Board's work and the work of the committees.

#### **GROUP BOARD COMMITTEES**

Schibsted has established an Audit Committee and a Compensation Committee which contribute to thorough preparation and consideration of matters covered by the committees' respective mandates.

As Schibsted has gradually grown in size and become more international, the scope of the Board's work and the complexity of the issues it must address have increased. The Board finds that establishment of the Compensation Committee and an Audit Committee has improved the Board's preparatory work and consideration of complex issues. The committees work well and interact well with the Board with regard to the exchange of information and the division of roles and responsibilities. The committees enable the Board to thoroughly consider important issues relating to corporate governance, risk management, internal controls and compensation schemes, and give the Board more time to consider fundamental and strategic

issues. At the same time, the Group Board is aware that the use of committees may diminish the Board's responsibility, and the committees are therefore only used when necessary due to the complexity and scope of an issue.

#### **COMPENSATION COMMITTEE**

The Compensation Committee is a Group Board committee with no decision-making authority. The members of the Compensation Committee are appointed by and from the Group Board and serve one-year terms.

The Compensation Committee prepares matters relating to the remuneration of the Group CEO. The committee also assists the Board by dealing with issues of principle, guidelines, and strategies for the remuneration of other members of the Group Management Team and of senior managers in key subsidiaries.

The Committee monitors the use of long-term incentives in the Group and makes preparations for the Board's annual consideration of the LTI Program for selected managers. For further details, see item 12 of this statement.

The CEO attends committee meetings apart from those at which remuneration of the CEO is considered. The company's EVP Organizational Development acts as secretary to the Compensation Committee. The Committee was established in 2004.

The current members of the Committee are: Ole Jacob Sunde (Chair), Eugenie van Wiechen and Jonas Fröberg.

#### **AUDIT COMMITTEE**

The Audit Committee is a Group Board committee with no decision-making authority. The members of the Audit Committee are appointed by and from the Group Board and serve one-year terms.

The Audit Committee prepares the Group Board's processes for quality assurance of financial reports. The committee monitors the Group's internal control system and risk management systems for financial reporting, and reviews and monitors the external auditor's work and independence. The Audit Committee conducts reviews of the Group's core activities, in which representatives of the Group Management Team and local management also participate.

The Group's CFO is the management's main representative in relation to the Audit Committee and attends all its meetings. The external auditor attends Audit Committee meetings when matters within the external auditors' area of responsibility are considered. The company's Compliance Officer acts as secretary to the Audit Committee.

The Audit Committee was established in 2007 and currently comprises the following members: Christian Ringnes (Chair), Eva Berneke and Arnaud de Puyfontaine.

# 10.

## Risk management and internal control

Schibsted's risk management and internal control system for financial reporting is based on internationally recognized frameworks, such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The risk management and internal control system reflects Schibsted's management model, and the CEO and CFO of the entities are responsible for maintaining an effective internal control system for financial reporting. This includes ensuring that the entity has the necessary capacity and competence to carry out adequate internal controls.

### FINANCIAL REPORTING

Management submits periodic reports on the status of the Group to assist the Board in its work on monitoring and control of the Group's operations. The reports cover financial reporting of the Group's key figures, the status of business-related matters, financial market information, non-financial indicators, and a status report on each business area. The Board has established procedures for monitoring and control of the Group's ongoing projects. The establishment of the Audit Committee in 2007 has strengthened this function in the Group.

The Audit Committee's main duty is to monitor the integrity of the company's financial statements and financial reporting process and internal controls. This includes reviewing the annual audited financial statements and quarterly financial statements, and the results of the annual audit and any interim reviews carried out by the external auditor. The quarterly and annual financial reports are also reviewed by the Group Board. In addition to conducting

normal reviews of the figures, emphasis is also placed on reviewing discretionary assessments and estimates as well as any changes to accounting practices.

Schibsted's Group Accounting prepares the Group's financial reports and ensures compliance with current accounting standards and legislation. When preparing the quarterly reports, reasonableness checks and more detailed reconciliation controls are performed in connection with the quality assurance of figures reported by subsidiaries and the consolidated Group figures. Group Accounting supports subsidiaries and provides technical accounting expertise as required. Quarterly financial review meetings are also held with the largest companies in our business areas.

Schibsted's Group Accounting publishes financial and accounting manuals that are made available to all the subsidiaries on the Group's intranet. These manuals describe reporting requirements, content, guidelines and deadlines.

See item 13 Information and Communication in this statement for more details on external reporting of financial information and dialog with shareholders.

### MONITORING OF RISK MANAGEMENT AND INTERNAL CONTROLS WITHIN THE COMPANY

Each manager in the Group is responsible for risk management and internal controls within his/her area of responsibility. Schibsted continuously implements and further develops guidelines for all the companies relating to their ongoing supervision of risk management and internal

controls for financial reporting.

The Compliance Officer is responsible for initiating and monitoring the annual risk management and internal controls process in the Group on behalf of the Group's CFO and CEO. The Compliance Officer reports in practice and administratively to the CFO. If necessary, the Compliance Officer will report directly to the Audit Committee.

Management teams in our business areas performed a bottom-up and top-down risk assessment in the autumn of 2014. The Group Management Team reviewed an overall risk assessment of strategy, market, legal, compliance, and ethical issues as well as operational and organizational risk assessments. The results of these risk assessments were reviewed at meetings between the Audit Committee and the Group Board.

Schibsted ASA is a Norwegian group of companies with considerable international shareholdings. Companies outside Norway have established governing bodies in accordance with local legislation in their respective countries. Internal control of financial reporting is monitored by these governing bodies and supported by day-to-day supervision by management teams and external auditors.

See the section on Analysis of Market Risk in the Board of Directors' Report for further details on the Group's market risks. See note 9 to the financial statements for further details on the Group's financial risks.

## Overview of the Group's key risks in 2014

Risk factor	Inherent risk	Residual risk
Competition from disruptive players/business models	High	High
High dependency on advertising revenue (structural changes and cyclical)	High	High
Structural change in media consumption (accelerated migration)	High	High
Competition risk in selected classified markets	High	Medium

# 11.

## Remuneration of group board members

The Annual General Meeting determines the remuneration of the Group Board members. The directors' fees are determined one year in advance. They are fixed amounts and are not related to performance or incentive schemes.

Any payments made to Board members beyond normal directors' fees are disclosed in note 27 of the financial statements.

See the Nomination Committee's Report and note 27 of the financial statements for further details on remuneration of the Group Board members.

# 12.

## Remuneration of executive personnel

The Compensation Committee prepares matters for the Board concerning remuneration of the Group CEO. The Committee also assists the Group Board in dealing with matters of principle, guidelines, and strategies linked to the overall remuneration of other members of the Group Management Team and of senior managers in key subsidiaries.

Schibsted's Statement of Executive Compensation gives an account of the main principles of the Group's executive remuneration policy, including the scope

and organization of bonus schemes and of the Group's Long-term Incentive Program (LTI Program). The Statement of Executive Compensation is considered by the Annual General Meeting and made available to the shareholders on the company's website when the notice of the Annual General Meeting is issued.

# 13.

## Information and communication

### DIALOG WITH SHAREHOLDERS AND THE FINANCIAL MARKET

Communication with the Norwegian and international stock markets has high priority for Schibsted. Schibsted's dedicated and active management and investor relations department maintains regular contact with the financial markets to ensure that relevant and sufficient information reaches the market in a timely manner. The objective is to increase awareness about the company, create confidence in Schibsted in the investment market, achieve improved liquidity for our shares, and provide a basis for correct pricing of the share. Openness, accessibility and transparency are fundamental to good relationships with investors, analysts and other players in the financial market. The Group Board is regularly updated on these activities.

### REPORTING OF FINANCIAL INFORMATION

Schibsted wants investors to have confidence in the integrity of its financial reporting. In accordance with its mandate, the Group Board's Audit Committee monitors the work on preparing the company's financial reports.

Schibsted publishes its financial figures quarterly. Open presentations to investors are held in connection with the Group's quarterly reports, at which the CEO and CFO review the results and comment on the market and outlook. The Chair of the Group Board also attends the presentations. Members of the Group Management Team attend the presentations as required.

The presentations in connection with the quarterly results are published on the company's website. The complete Annual Report and Directors' Report are published on the company's website at least 21 days before the Annual General Meeting. Schibsted's financial calendar is announced for one year at a time and published on our website.

### OTHER MARKET INFORMATION

In accordance with the Norwegian Securities Trading Act and Stock Exchange Act, notifications are distributed to the Oslo Børs and national and international news agencies and are published on Schibsted's website.

Schibsted regularly arranges Investor Days in order to present its strategy and other key development trends. Schibsted's Investor Day was last held on 18 November 2014 in Barcelona. A video webcast of the event and the presentation material are available on the company's website.

In 2014 Schibsted ranked, for the fourth consecutive year, among the top five in the Stockman Awards. The Stockman Awards go to the listed companies in Norway that are best at providing the finance industry and shareholders with continuous information about their activities, and who also, based on principles of financial analysis, publish the best annual and quarterly reports.

See Share Information and the company's website for further details.

# 14.

## Take-overs

The Group Board has prepared principles and guidelines for handling any take-over bids. These principles were revised in 2011.

For more on this subject, please refer to the discussion of restrictions in the company's statutes on ownership and voting rights attached to the shares in item 4 of this statement.

As stated in item 3 of this statement, the Group Board obtained renewed authorization from the Annual General Meeting in 2014 to repurchase the Group's own shares, pursuant to the Norwegian Public Limited Liability Companies Act. The authorization stipulates that the Group Board is free to determine the method of acquisition and any later sale of the shares and that the authorization may also be used to buy and sell shares in take-over situations.

Section 6-17, subsection (2) of the Securities Trading Act permits the Annual General Meeting to grant the Board such authorizations. The Board's use of such authorizations is, however, restricted under section 14 of the Norwegian Code of Practice for Corporate Governance. The Group Board must consider the use of such authorizations in the context of the specific take-over situation. As referred to above, the Group Board has prepared guidelines for handling any take-over bids and the issue of using authorizations in company acquisition situations is highlighted as one of the Group Board's most important tasks if a take-over situation should arise.

# 15.

## Auditor

### APPOINTMENT OF AUDITOR

The external auditor is elected by the Annual General Meeting. The Audit Committee presents a recommendation on the appointment of an external auditor to the Group Board. The Group Board's recommendation is then presented to the Annual General Meeting, which makes the final decision. As a general rule, all Group companies must use the same audit firm. Exceptions may be approved by the Group CFO.

An invitation to tender for the Group's external audit services as from the 2011 financial year was issued in the autumn of 2010. Following a thorough evaluation by management and the Audit Committee, it was decided to continue to retain Ernst & Young as the company's auditor.

### GROUP BOARD'S RELATIONSHIP WITH THE EXTERNAL AUDITOR

According to its mandate, the Audit Committee is responsible for ensuring that Schibsted is subject to an independent and effective external audit. The Audit Committee evaluates the following factors relating to the external auditor each year:

- The audit firm's independence
- The quality of the auditing services
- The estimated fee

The Audit Committee evaluates the external auditor's fee and makes a recommendation to the Group Board. The Group Board submits a proposal to the Annual General Meeting regarding the approval of the external auditor's fee. See note 27 to the financial statements for information on remuneration of the external auditor for the financial year 2014.

The external auditor presents an annual plan for the audit work to the Audit Committee. The company's external auditor is present when the management presents the preliminary consolidated financial statements to the Group Board and also when the final results are presented if deemed necessary. The external auditor also reviews internal controls as part of the annual audit procedures, and reports identified weaknesses and proposed improvements to the Audit Committee. The external auditor regularly attends Audit Committee meetings and holds meetings with the Group Board without the management present.

The external auditor attends the company's Annual General Meeting and comments on the Auditor's Report.

### INDEPENDENCE OF THE EXTERNAL AUDITOR

The external auditor must under no circumstances perform advisory services or other services which could potentially affect or raise doubts about the auditor's independence. The Group has prepared guidelines on the relationship with the external auditor.

The amount of non-audit services provided by the external auditor in 2014 is compliant with the requirements in the Auditing and Auditors Act and guidelines from the Financial Supervisory Authority of Norway. The Group Board finds the advisory services provided by the external auditor in 2014 not to influence the auditor's independence but acknowledges the potential issues this entails. The Audit Committee is responsible for ensuring that the auditor does not provide any prohibited non-audit services for the Group. See note 27 to the financial statements for information on fees relating to auditing and consultancy services.

# 16.

## Other key bodies in the group

### GROUP EMPLOYEE REPRESENTATIVES

The Group has established a Group Employee Representative scheme that is intended to safeguard the employees' interests in relation to the Group Management Team in cases dealt with at Group level that may be of importance to the Group's employees as a whole. More information is available on our website, [www.schibsted.com](http://www.schibsted.com).

The Group Council cooperates closely with the Group Employee Representatives. The Group Council is a supplement to the employees' representation in the subsidiaries.

The Group Council places emphasis on facilitating regular contact between employees across national boundaries. The Group Council convenes twice a year. The Schibsted European Works Council currently comprises 35 representatives from seven countries who are elected by and among the employees. The Group Council is headed by Group Employee Representative Morten Lia.

### SCHIBSTED'S GROUP COUNCIL

Schibsted's Group Council was established in 2004 based on the rules governing the Establishment of European Works Councils.

The Group Council's objective is to promote development, motivation, joint responsibility and mutual trust between management and employees. The Group Council is intended to ensure active collaboration and to serve as a forum for information, discussion and dialog within the Group.

# 17.

## Deviations from the code of practice

### DEVIATIONS FROM THE NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE

According to the Group's own evaluation, we deviate from the recommendations of the Norwegian Code of Practice for Corporate Governance on two points:

**Section 5 – Freely negotiable shares**  
Based on Schibsted's publishing responsibilities and role in society as a media company, Schibsted's independence and integrity are ensured through restrictions on ownership and voting rights laid down in the Articles of Association. Article 6 states that no shareholder may own or vote at

the Annual General Meetings in respect of more than 30 percent of the shares.

**Section 6 – Annual General Meeting**  
The Board Chair is always available to respond to any questions. Other Board members attend as necessary.



# MEMBERS OF THE BOARD (2014-15)

The Board of Schibsted ASA currently consists of 10 members. 7 are elected by the shareholders while three are elected by and from the employees.



**Ole Jacob Sunde**  
(born 1954)

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**CHAIRMAN OF THE BOARD**

Board member since May 2000. Chairman of the Board since May 2002. Chairman of the Compensation Committee since it was established in 2004. The founder and chairman of the board of Formuesforvaltning ASA (2000). Established Industrifinans Forvaltning ASA in 1983 and was managing director until 2000. Former consultant in McKinsey & Co. (1980-83). Various other directorships, including chairman of the board of The Tinius Trust and member of the board of Blommenholm Industrier AS. MBA (Université de Fribourg, Sveits) 1976 and Kellogg School of Management, Northwestern University (USA) (with distinction) 1980.



**Tanya Cordrey**  
(born 1966)

Member of the board since 2014. Tanya Cordrey is Chief Digital Officer at Guardian News & Media since April 2011. She is on the senior executive team at Guardian News & Media.

She was previously Digital Development Director at Guardian News & Media, General Manger, Environment at Guardian News and Media, General Manger UK and Chief marketing Officer, marketing, Product and Sales at Zopa, Product Director UK at eBay AG, General Manger at BabyCentre.co.uk and Manager, Strategy & Marketing at BBC News & Current Affairs.

Tanya holds a MBA from London Business School (1997), MA Management Studies & Politics, Westminster University (1994), BA Liberal Arts, East Anglia University (1987) and BA (Hons) European History, East Anglia University.



**Birger Steen**  
(born 1966)

Member of the board since 2014. Birger Steen is CEO of Parallels, a world leader in the virtualization and cloud services platform market, and is based in Seattle, WA. He previously served as Vice President of WW SMB & Distribution at Microsoft Corp. in Redmond and as General Manager of Microsoft Russia and Microsoft Norway. Prior to joining Microsoft in 2002, Birger was CEO of Scandinavia Online and Vice President of Business Development with Schibsted ASA. His first engagement with the Schibsted group took place while he worked for McKinsey & Company as a consultant and engagement manager from 1993 to 1996. Before joining McKinsey, Birger was as an Oil trader with Norwegian Oil Trading in Lithuania.

Birger holds a Master of Science degree in Computer Science and Industrial Engineering from the Norwegian Institute of Technology in Trondheim. He also holds a degree in Russian Language from the Defense School of Intelligence and Security and received his MBA from INSEAD in France.



## Eva Berneke (born 1969)

Board member in Schibsted since May 2010. CEO of KMD from March 2014. MSc in Mechanical Engineering Technical University of Denmark, 1992, and MBA, INSEAD (Executive Management Training Program) 1995. Deputy chairman of Board of Directors of Copenhagen Business School. Member of Board of Directors of Lego.

Member of the Danish Council for Technology and Innovation under the Danish Ministry of Science, Technology & Innovation. Member of the Board of Directors of the Industrialization Fund for Development and Eastern Countries (IFU,IØ).



## Christian Ringnes (born 1954)

Deputy board member in Schibsted from May 2002 to 2005. Elected as ordinary board member in May 2005. Managing director and major owner in Eiendomsspar AS/

Victoria Eiendom AS (1984- ). McKinsey & Company, INC -Scandinavia, consultant (1981/82) and project manager (1983/84), Manufactures Hanover Trust Company, Assistant to Area Manager, Nordic Countries (1978/79). Chairman of the board in NSV-Invest AS, Sundt AS, Dermanor AS, Oslo Flaggfabrikk and Mini Bottle Gallery AS. Board member in Thor Corporation AS and Oslo's Council for City Architecture. Harvard Business School, Boston, USA (1979-81), Master of Business Administration. Ecole des Hautes Etudes Commerciales, Universite de Lausanne (1975-78), MBA.



## Eugénie van Wiechen (born 1969)

Member of the board in Schibsted since May 2012. CEO of FD Mediagroep, The Netherlands.

Previously Managing Director in LinkedIn.com, The Netherlands; Managing Director in eBay.nl, Marktplaats.nl, The Netherlands; Publisher Young Women's Magazines and Director Consumer Marketing in Sanoma Uitgevers, The Netherlands; Management Consultant and Engagement Manager in McKinsey & Company, The Netherlands.

Educated at the University of Amsterdam in Chemical Engineering (MSc, 1994) and INSEAD, Fontainebleau, France (MBA, 1997).



## Arnaud de Puyfontaine (born 1964)

Member of the board in Schibsted since May 2012. Chairman of the Management Board of Vivendi Group, Vice-Chairman and member of the Supervisory Board in the Canal+ Group, Director in GVT Participações SA (Brazil).

Arnaud de Puyfontaine started as a consultant at Arthur Andersen and later on, in 1989, as project manager at Rhône-Poulenc.

In 1990, he joined Le Figaro as Executive Director. In 1995, as a member of the founding team of the Emap Group in France, he headed Télé Poche and Studio Magazine, managed the acquisition of Télé Star and Télé Star Jeux, and started up the Emap Star Division before becoming Chief Executive Officer of Emap France in 1998. Chairman and Chief Executive Officer of Emap France in 1999, he served from 2000 to 2005 as Chairman of EMW, the Emap/Wanadoo digital subsidiary.

In 2006, he was appointed Chairman and Chief Executive Officer of Editions Mondadori France and headed all digital business for the Mondadori Group in 2007. In 2009, he became Chief Executive Officer of Hearst UK. In 2011, on behalf of the Hearst Group, he led the acquisition of the 102 magazines of the Lagardère Group published abroad.

He was later on appointed Executive Vice President of Hearst Magazines International before being appointed Managing Director Western Europe in 2013. Born in 1964, Arnaud de Puyfontaine is a graduate of the ESCP, the Multimedia Institute and the Harvard Business School program. He was Chairman of ESCP Europe Alumni from 2011 to 2014.

Educated at the Paris European School of Management, France in MBA, ESCP, ESCP (1988), Harvard Business School (2000).

Other positions and functions  
Kepler, Independent Director  
Schibsted Media Group, Independent Director  
Iceberg lux, member of the Advisory Committee



## Gunnar Kagge (born 1960)

Board member of Schibsted since 2009. Gunnar Kagge (1960) has worked at Aftenposten since 1997. Formerly employed at NTB and the Norwegian Confederation of Business and Industry (NHO). He has mainly been writing about politics and economy, covering negotiations between employers and unions, trends in the workplace and the big organizations. Elected leader of the local journalist union 2007-2010. Board member of SKUP, NJ Schibsted and deputy board member

of NJ. He is educated with a degree in history from the University of Oslo. All through school and studies he worked as a freelancer at Aftenposten, from 1975 and onwards.



## Anne Lise von der Fehr (born 1969)

Board member of Schibsted since May 2009. Reporter and subeditor at VG since April 2002. Elected leader of the board of the local journalist union in VG (2007-2010). Member of the European Works Council, Schibsted (2008-2010). Leader of Norwegian Journalists' local union within Schibsted (2008-2010). Deputy member of the board of VG AS (2007-2009). Reporter and subeditor Asker og Bærum Budstikke (2000-2002). Researcher at Holmgang, TV2 (1999-2000). Board member of the Foundation of Asker and Bærum Budstikke (2009-), deputy member (2007-2009).

She holds a masters degree in Political Science from the University of Oslo, has studied History of Literature and has an International Diploma in Journalism from England.



## Jonas Fröberg (born 1972)

Board member of Schibsted Media Group since May 2012. With Svenska Dagbladet since 2006 as trade and industry reporter, chronicler and automotive editor. Reporter and web editor at the financial desk Dagens Nyheter (2005-2006). Deputy Regional Director at Svensk Näringsliv (1999-2005).

MSc in Political Science Umeå University 1997, BBA Handelshögskolan, Umeå University (1998), Bachelor of Arts in Business Administration, University of Derby England (1998). Studied cultural journalism, Umeå University (2005) Member of the board at Schibsted Sverige (2009-2012). Member of the board at Svenska Dagbladet (2009-). Elected member at Journalistklubben Svenska Dagbladet (2008-).



# THE NOMINATION COMMITTEE'S REPORT



**The Nomination Committee** consists of John A Rein (Chair), Gunn Wærsted and Nils Bastiansen. The Nomination Committee is elected for two years at a time. Gunn Wærsted has declared that she will not stand for reelection, and Nils Bastiansen has asked to be replaced. The Committee proposes to elect Spencer Adair and Ann Kristin Brautaset as new members of the Committee. More information about Spencer Adair and Ann Kristin Brautaset is available on Schibsted's web site.

In recent years, the Nomination Committee has had a long-term focus on internationalization of the Group Board.

The Group Board consists of seven shareholder-elected directors and three directors elected by the employees. The editor-in-chief of Verdens Gang, Oslo, has been appointed as an observer to the Group Board.

The employees have elected two alternate directors. Alternate directors attend the

meetings only in the event of an absence. No alternate directors have been appointed by the shareholders.

The Group Board's working language is English.

## THE NOMINATION COMMITTEE'S WORK ON RECRUITMENT FOR THE BOARD

The Board's shareholder-elected directors are up for election each year. The Nomination Committee is continuously working on the recruitment of new directors and evaluation

of the Group Board's work.

The Nomination Committee makes efforts to ensure that recruitment to Schibsted's Group Board has a sufficient balance between continuity and renewal, and that the Group Board has expertise and experience within the fields of the Group's operations, both inside and outside Scandinavia. In addition, Schibsted seeks to comply with the Norwegian Public Limited Companies Act's gender balance requirements.

The current Group Board has only functioned for one year, and the Nomination Committee proposes that the present shareholder-elected directors are re-elected. Accordingly, the Annual General Meeting is invited to vote on the following directors at the Group Board for the period 2015-2016:

- Ole Jacob Sunde (Chair, Norwegian)
- Eva Berneke (Danish)
- Tanya Cordrey (British)
- Arnaud de Puyfontaine (French)
- Christian Ringnes (Norwegian)
- Birger Steen (Norwegian)
- Eugenie van Wiechen (Dutch)

In the election period 2014-2015 (as per 17 April 2015), the Nomination Committee has held one meeting.

The candidates are presented in the notice to the Annual General Meeting. The notices, and a detailed presentation of the candidates, are available on the Schibsted website at [www.schibsted.com](http://www.schibsted.com).

The Nomination Committee proposes one ballot for each individual director at the Annual General Meeting on 8 May 2015.

## THE DIRECTORS' INDEPENDENCE

Information on the directors' business relationships with shareholders or others with links to the shareholders, or to Schibsted, is provided under "Corporate Governance". The representation on the Group Board reflects the ownership shares in Schibsted and the right to elect directors, which, according to Schibsted's Articles of Association, belongs to shareholders holding at least 25 per cent of the shares (§ 8). As a consequence of Ole Jacob Sunde's links with Blommenholm Industrier and the Tinius Trust, the Nomination Committee does not consider him to be an independent director. The Nomination Committee considers the other directors to be independent. Thus, six of the seven shareholder-elected Group Board members are considered independent.

## THE GROUP BOARD'S COMPENSATION COMMITTEE AND AUDIT COMMITTEE

The members of the Compensation Committee and the Audit Committee are both elected by the Group Board for a one-year period. The task of these select committees is to prepare the case files and documentation for the Group Board's consideration.

In the assessment of the Group Board's work, the preparatory efforts by the select committees are identified as important and positive contributions to the sound and thorough consideration of complex matters.

## COMPENSATION AND REMUNERATION

All compensation and remuneration payable to Schibsted's corporate bodies is

stipulated in advance for one year at a time by the Annual General Meeting based on a compensation and remuneration proposal from the Nomination Committee.

The Nomination Committee considers the current compensation to Group Board members to be in line with market practice. Taking this into account, the compensation should normally be adjusted annually in order to avoid larger adjustments and achieve with general wage inflation in society as a whole.

The Nomination Committee proposes to continue this practice, and proposes the following adjustments for the period 2015-2016. A comparison with current figures is also provided below.

### All figures in NOK

	2015-16	2014-15
a) Group Board members		
Chair	800,000	780,000
Other directors	375,000	335,000
Alternate directors	16,000	16,000
b) Members of the Compensation Committee		
Chair	93,000	90,000
Other committee members	62,000	60,000
c) Members of the Audit Committee		
Chair	137,000	133,000
Other committee members	88,000	85,000
d) Members of the Nomination Committee		
Chair, per meeting	16,000	16,000
Other committee members, per meeting	11,000	11,000

An allowance of NOK 100,000 may be granted to Group Board members resident outside Oslo. For the upcoming period 2015-2016 the Nomination Committee has adopted the following allowance tariffs: NOK 50,000 for Group Board members resident outside Oslo but in the Nordic countries, and NOK 100,000 for Group Board members resident outside the Nordic countries.

# SHARE INFORMATION

**Schibsted Media Group** is a listed company, and our aim is that our shares should be perceived as an attractive investment. A competitive return should be based on a sound financial position and be ensured through long-term growth in the share price and a dividend. The company's share price should accurately reflect the company's long-term earning capacity.

The strategy and vision adopted by Schibsted's Board implies that the Group's operations must adapt quickly and develop rapidly. Schibsted's capital structure must be sufficiently robust to enable us to maintain the desired freedom of scope in view of the exposure some of our operations have to cyclical fluctuations.

Established online classifieds operations in Scandinavia, France and other countries contribute to strong, profitable growth. At the same time, Schibsted has an ambitious expansion strategy for its online classifieds businesses, and invests significant amounts through it profits on broadening the Group's international footprint. The media houses' strong brands and market-leading positions contribute well to the Group's cash flow.

## THE SCHIBSTED SHARE - KEY FIGURES

	2014	2013***	2012****	2011	2010	2009
Highest share price (NOK)	487.40	403.90	240.00	182.70	172.80	132.30
Lowest share price (NOK)*	290.40	219.70	150.20	120.00	119.10	27.66
Share price at year end (NOK)*	473.70	401.20	235.5	148.9	172.00	130.10
Earnings per share	-1.67	9.43	1.32	7.00	27.04	4.74
Earnings per share - adjusted	-1.46	3.90	8.18	8.76	9.72	4.42
Dividend per share	3.50 **	3.50	3.50	3.50	3.00	1.50
Average number of outstanding shares	107,388,735	107,273,587	107,026,923	106,020,714	103,337,507	83,256,121
Outstanding shares at year end	107,421,397	107,348,540	107,104,460	106,941,657	103,773,175	103,303,474

\*) Historical share price adjusted for the split out of subscription rights in connection with the rights issue in 2009.

\*\*) As proposed by the Board of Directors.

\*\*\*) 2013 figures restated in 2014 to reflect the implementation of IFRS 11 Joint Arrangements.

\*\*\*\*) 2012 figures restated in 2013 to reflect the implementation of IAS 19 Employee Benefits.

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## Dividend and repurchase of shares

The distribution of dividend and the opportunity to repurchase shares are regarded as suitable ways to adapt the capital structure. The Group's dividend policy is to pay out 25-40 percent of the Group's cash flow per share. In periods of weak economic conditions, the dividend level is maintained as long as the Group's capital structure permits. Such a dividend level implies that the return on Schibsted's shares is competitive in the Norwegian market and among European media companies.

The Board has decided to propose to the Annual General Meeting on 8 May 2015 to pay a dividend for 2014 of NOK 3.50 per share. Depending on the decision of the Annual General Meeting, the dividend will be paid on 20 May 2015 to those registered as shareholders on the date of the Annual General Meeting.

The Annual General Meeting has authorized Schibsted's Board to repurchase up to 10 percent of the company's shares. The repurchases will take place in the market over time and should be viewed in connection with Schibsted's dividend policy, investment opportunities, and long-term perspectives for its capital structure. The Board will ask the Annual General Meeting to also grant authorization for the coming period for use in a takeover situation. No shares were repurchased in 2014.

## Shareholder structure

Blommenholm Industrier, which is controlled by the Tinius Trust, is Schibsted's largest shareholder, giving the Group long-term ownership stability. A consequence of this is that the number of shares issued will normally remain stable over time. This means that earnings from operations, combined with loans, will be the key source of financing for growth in the form of acquisitions or organic investments. This implies that Schibsted should secure its scope of action by maintaining a relatively high level of equity and low debt-to-equity ratio over time. Financial independence and a strong financial position are also important for ensuring public confidence and trust in our media businesses.

Schibsted's shares are freely marketable. The wording of the company's Articles of Association reflects the Group's publishing responsibilities and role in society as a media company. Schibsted's independence and integrity are ensured through restrictions on ownership and voting rights in article 6 of the Articles of Association. No shareholder may own or exercise voting rights for more than 30 percent of the shares represented at the Annual General Meeting.

Any shareholder owning 25 percent or more of Schibsted's shares is entitled to appoint one director directly. Blommenholm Industrier, which owns 26.1 percent of the shares, is currently the only shareholder to hold this right. The Tinius Trust ([www.tinius.com](http://www.tinius.com)) has a controlling interest in Blommenholm Industrier.

## Return

The Schibsted share is listed on Oslo Børs with the ticker code SCH. The share is one of the most traded in Norway, and has been a part of the OBX index during 2014.

The Schibsted share is covered by sell-side analysts in Scandinavia and London. At year-end 2014, 15 sell-side institutions, six of them based outside Scandinavia, officially covered the Schibsted share.

In 2014, the Schibsted share produced a return for shareholders of 19.3 percent, including dividend of NOK 3.50 per share (reinvested). By comparison, the Oslo Børs Benchmark Index (OSEBX) produced a return of 5.0 percent.

## Shareholders

The number of registered Schibsted shareholders declined in 2014 from 4,707 to 4,399. At year-end 2014, 58 percent of Schibsted shares were owned by non-Norwegian shareholders (NWT Media AS counted as a Swedish shareholder). The corresponding figure for the previous year was 56 percent. On average, 277,000 Schibsted shares were traded per day on Oslo Børs in 2014, accounting for 17 percent more than in 2013. The value of trading in Schibsted shares on Oslo Børs increased 45 percent to NOK 99.6 million per day in 2014. The turnover velocity of the Schibsted share on Oslo Børs was 63.5 percent in 2014, compared with 54.1 percent in 2013. This trend is somewhat better than the trend on Oslo Børs, where the turnover velocity increased from 48.5 percent in 2013 to 52.0 percent in 2014. Around 40 percent of the trading in the Schibsted share takes place on alternative trading platforms. This share remained relatively stable throughout 2014.

SHAREHOLDERS	2014	2013	2012	2011
Share of non-Norwegian registered shareholders:	58 %	56 %	54 %	48 %
Number of shareholders:	4,399	4,707	4,869	5,275
Number of shares:	108,003,615	108,003,615	108,003,615	108,003,615
Number of treasury shares (year-end):	582,218	655,075	1,061,958	4,230,440

Schibsted conducts a quarterly analysis of shareholders registered at nominee accounts. This list is the outcome of this analysis and gives a richer picture of Schibsted's underlying shareholders than what is the case of the VPS register. Updated as of 22 January 2015.

Rank	Fund manager	%	Shares
1	Blommenholm Industrier AS	26.10 %	28,188,589
2	Baillie Gifford & Co.	8.29 %	8,955,112
3	Luxor Capital Group, L.P.	7.68 %	8,297,484
4	Folketrygdfonden	5.90 %	6,375,977
5	Alecta pensionsförsäkring, ömsesidigt	2.78 %	3,000,000
6	Caledonia (Private) Investments Pty Limited	2.53 %	2,730,589
7	Capital Research Global Investors	2.41 %	2,602,283
8	Adelphi Capital LLP	2.29 %	2,473,888
9	Scopia Capital Management LLC	2.01 %	2,169,595
10	Marathon Asset Management LLP	1.98 %	2,138,157
11	SAFE Investment Company Limited	1.85 %	1,996,826
12	Tybourne Capital Management (HK) Limited	1.57 %	1,693,582
13	Tweedy, Browne Company LLC	1.35 %	1,453,359
14	Nordea Funds Oy	1.29 %	1,398,494
15	Swedbank Robur AB	1.27 %	1,376,988
16	Platinum Investment Management Ltd.	1.17 %	1,264,164
17	Danske Capital (Norway)	1.11 %	1,194,350
18	The Vanguard Group, Inc.	1.06 %	1,140,786
19	Taube, Hodson, Stonex Partners, LLP	1.02 %	1,096,655
20	KLP Forsikring	0.99 %	1,066,320

The shareholder ID data are provided by Nasdaq OMX. The data are obtained through the analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the Schibsted share register. Whilst every reasonable effort is made to verify all data, neither Nasdaq OMX nor Schibsted can guarantee the accuracy of the analysis.

For an overview of the 20 largest shareholders as of 31 December 2014 from the public VPS-list, refer to the annual accounts for Schibsted ASA, note 12.

# CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2014	Restated 2013
<b>Operating revenues</b>	7	<b>14,975</b>	<b>14,870</b>
Raw materials and finished goods	26	(696)	(850)
Personnel expenses	27	(5,564)	(5,314)
Other operating expenses	28	(6,774)	(6,929)
<b>Gross operating profit (loss)</b>		<b>1,941</b>	<b>1,777</b>
Depreciation and amortisation	11, 12	(467)	(476)
Share of profit (loss) of joint ventures and associated companies	13	(841)	(123)
Impairment loss	11,12,13	(131)	(150)
Other income and expenses	8	8	647
<b>Operating profit (loss)</b>		<b>510</b>	<b>1,675</b>
Financial income	29	46	51
Financial expenses	29	(174)	(236)
<b>Profit (loss) before taxes</b>		<b>382</b>	<b>1,490</b>
Taxes	30	(509)	(453)
<b>Profit (loss)</b>		<b>(127)</b>	<b>1,037</b>
Profit (loss) attributable to non-controlling interests	35	53	26
Profit (loss) attributable to owners of the parent		(180)	1,011
Earnings per share (NOK)	31	(1.67)	9.43
Diluted earnings per share (NOK)	31	(1.67)	9.42
Earnings per share - adjusted (NOK)	31	(1.46)	3.90
Diluted earnings per share - adjusted (NOK)	31	(1.46)	3.90

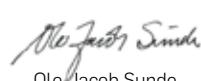
# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2014	Restated 2013
<b>Profit (loss)</b>		<b>(127)</b>	<b>1,037</b>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension liabilities	21	(804)	(300)
Income tax relating to remeasurements of defined benefit pension liabilities	30	217	84
Share of other comprehensive income of joint ventures and associated companies	13	(42)	-
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		435	933
Hedges of net investments in foreign operations		(24)	(132)
Income tax relating to hedges of net investments in foreign operations	30	7	37
<b>Other comprehensive income</b>		<b>(211)</b>	<b>622</b>
<b>Comprehensive income</b>		<b>(338)</b>	<b>1,659</b>
Comprehensive income attributable to non-controlling interests	35	53	35
Comprehensive income attributable to owners of the parent		(391)	1,624

# CONSOLIDATED BALANCE SHEET

(NOK million)	Note	31.12.14	Restated 31.12.13	Restated 01.01.13
<b>ASSETS</b>				
Intangible assets	11	11,906	10,212	9,027
Investment property	12	67	68	68
Property, plant and equipment	12	1,220	1,431	1,771
Investments in joint ventures and associated companies	13	547	654	637
Non-current financial assets	14	17	17	16
Deferred tax assets	30	413	117	96
Other non-current assets	15	106	185	217
<b>Non-current assets</b>		<b>14,276</b>	<b>12,684</b>	<b>11,832</b>
Inventories	16	56	51	112
Trade and other receivables	17	2,797	2,514	2,272
Current financial assets	14	-	-	3
Cash and cash equivalents	18	745	1,202	978
<b>Current assets</b>		<b>3,598</b>	<b>3,767</b>	<b>3,365</b>
<b>Total assets</b>		<b>17,874</b>	<b>16,451</b>	<b>15,197</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	19	108	108	108
Treasury shares	19	(1)	(1)	(1)
Other paid-in equity		1,527	1,490	1,464
Other equity		4,926	5,728	4,293
<b>Equity attributable to owners of the parent</b>		<b>6,560</b>	<b>7,325</b>	<b>5,864</b>
Non-controlling interests	35	230	261	245
<b>Equity</b>		<b>6,790</b>	<b>7,586</b>	<b>6,109</b>
Deferred tax liabilities	30	760	736	907
Pension liabilities	21	1,911	1,114	909
Non-current interest-bearing borrowings	22	2,132	1,971	2,124
Other non-current liabilities	23	970	413	293
<b>Non-current liabilities</b>		<b>5,773</b>	<b>4,234</b>	<b>4,233</b>
Current interest-bearing borrowings	22	696	346	347
Income tax payable		291	359	365
Other current liabilities	24	4,324	3,926	4,143
<b>Current liabilities</b>		<b>5,311</b>	<b>4,631</b>	<b>4,855</b>
<b>Total equity and liabilities</b>		<b>17,874</b>	<b>16,451</b>	<b>15,197</b>

Oslo, 24 March 2015  
Schibsted ASA's Board of Directors

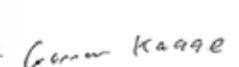
  
Ole Jacob Sunde  
Chairman of the Board

  
Birger Steen

  
Arnaud de Puyfontaine

  
Tanya Cordrey

  
Christian Ringnes

       
Eva Berneke      Anne Lise von der Fehr      Gunnar Kagge      Jonas Fröberg      Eugénie Van Wiechen      Rolv Erik Ryssdal  
CEO

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2014	Restated 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit (loss) before taxes		382	1,490
Gain from remeasurement of previously held equity interest in business combination achieved in stages and remeasurement of contingent consideration		(91)	(2)
Share of profit of joint ventures and associated companies	13	841	123
Dividends received from joint ventures and associated companies	13	36	59
Taxes paid		(635)	(636)
Sales losses / (gains) non-current assets		(121)	(943)
Amortisation and impairment losses intangible assets	11	231	225
Depreciation and impairment losses property, plant and equipment	12	367	271
Impairment loss associated companies	13	-	130
Impairment losses financial instruments	29	-	3
Change in working capital		220	(4)
<b>Net cash flow from operating activities</b>		<b>1,230</b>	<b>716</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of intangible assets and property, plant and equipment	11, 12	(630)	(520)
Acquisition of subsidiaries, net of cash acquired	32	(532)	(258)
Proceeds from sale of intangible assets and property, plant and equipment		375	343
Proceeds from sale of subsidiaries, net of cash sold	32	9	908
Investments in / sale of other shares		(786)	(66)
Other investments / sales		(16)	64
<b>Net cash flow from investing activities</b>		<b>(1,580)</b>	<b>471</b>
<b>Net cash flow before financing activities</b>		<b>(350)</b>	<b>1,187</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New interest-bearing loans and borrowings		871	934
Repayment of interest-bearing loans and borrowings		(359)	(1,164)
Payment due to increase in ownership interests in subsidiaries		(150)	(478)
Capital increase		23	1
Purchase / sale of treasury shares		8	24
Dividends paid to owners of the parent	20, 32	(376)	(375)
Dividends paid to non-controlling interests	32, 35	(133)	(58)
<b>Net cash flow from financing activities</b>		<b>(116)</b>	<b>(1,116)</b>
Effects of exchange rate changes on cash and cash equivalents		9	153
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(457)</b>	<b>224</b>
Cash and cash equivalents as at 1.1		1,202	978
<b>Cash and cash equivalents as at 31.12</b>	18	<b>745</b>	<b>1,202</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	Note	Share capital	Treasury shares	Other paid-in equity	Retained earnings	Foreign currency transl. reserve	Total	Non-controlling interests	Total
<b>As at 31.12.2012</b>		<b>108</b>	<b>(1)</b>	<b>1,464</b>	<b>5,106</b>	<b>(813)</b>	<b>5,864</b>	<b>245</b>	<b>6,109</b>
Profit (loss) 2013		-	-	-	1,011	-	1,011	26	1,037
Remeasurements of defined benefit pension liabilities	21	-	-	-	(300)	-	(300)	-	(300)
Income tax relating to remeasurements of defined benefit pension liabilities		-	-	-	84	-	84	-	84
Translation differences		-	-	-	-	924	924	9	933
Hedging of net investment in foreign operations		-	-	-	-	(132)	(132)	-	(132)
Tax effect hedging of net investment in foreign operations		-	-	-	-	37	37	-	37
<b>Comprehensive income 2013</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>795</b>	<b>829</b>	<b>1,624</b>	<b>35</b>	<b>1,659</b>
Capital increase		-	-	-	-	-	-	21	21
Share-based payment		-	-	26	-	-	26	-	26
Dividends paid to owners of the parent	20	-	-	-	(375)	-	(375)	-	(375)
Dividends to non-controlling interests		-	-	-	8	-	8	(58)	(50)
Change in treasury shares	19	-	-	-	24	-	24	-	24
Business combinations	5	-	-	-	-	-	-	3	3
Loss of control of subsidiaries		-	-	-	-	-	-	(1)	(1)
Changes in ownership of subsidiaries that do not result in a loss of control		-	-	-	154	-	154	16	170
<b>Total transactions with the owners</b>		<b>-</b>	<b>-</b>	<b>26</b>	<b>(189)</b>	<b>-</b>	<b>(163)</b>	<b>(19)</b>	<b>(182)</b>
<b>As at 31.12.2013 Restated</b>		<b>108</b>	<b>(1)</b>	<b>1,490</b>	<b>5,712</b>	<b>16</b>	<b>7,325</b>	<b>261</b>	<b>7,586</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	Note	Share capital	Treasury shares	Other paid-in equity	Retained earnings	Foreign currency transl. reserve	Total	Non-controlling interests	Total
<b>As at 31.12.2013 Restated</b>		<b>108</b>	<b>(1)</b>	<b>1,490</b>	<b>5,712</b>	<b>16</b>	<b>7,325</b>	<b>261</b>	<b>7,586</b>
Profit (loss) 2014		-	-	-	(180)	-	(180)	53	(127)
Remeasurements of defined benefit pension liabilities	21	-	-	-	(804)	-	(804)	-	(804)
Income tax relating to remeasurements of defined benefit pension liabilities		-	-	-	217	-	217	-	217
Share of other comprehensive income of joint ventures and associated companies	13	-	-	-	(42)	-	(42)	-	(42)
Translation differences		-	-	-	-	435	435	-	435
Hedging of net investment in foreign operations		-	-	-	-	(24)	(24)	-	(24)
Tax effect hedging of net investment in foreign operations		-	-	-	-	7	7	-	7
<b>Comprehensive income 2014</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(809)</b>	<b>418</b>	<b>(391)</b>	<b>53</b>	<b>(338)</b>
Capital increase		-	-	-	-	-	-	23	23
Share-based payment		-	-	37	-	-	37	-	37
Dividends paid to owners of the parent	20	-	-	-	(376)	-	(376)	-	(376)
Dividends to non-controlling interests		-	-	-	26	-	26	(133)	(107)
Change in treasury shares	19	-	-	-	8	-	8	-	8
Business combinations	5	-	-	-	-	-	-	5	5
Changes in ownership of subsidiaries that do not result in a loss of control		-	-	-	(69)	-	(69)	21	(48)
<b>Total transactions with the owners</b>		<b>-</b>	<b>-</b>	<b>37</b>	<b>(411)</b>	<b>-</b>	<b>(374)</b>	<b>(84)</b>	<b>(458)</b>
<b>As at 31.12.2014</b>		<b>108</b>	<b>(1)</b>	<b>1,527</b>	<b>4,492</b>	<b>434</b>	<b>6,560</b>	<b>230</b>	<b>6,790</b>

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All amounts are in NOK million unless otherwise stated.

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## NOTE 1 COMPANY INFORMATION

Schibsted ASA is domiciled in Norway. The company's head office is located at Apotekergaten 10, Oslo. The company's postal address is P.O. Box 490 Sentrum, 0105 Oslo. The company is a public limited liability company listed on the Oslo Stock Exchange under ticker SCH.

Schibsted Media Group is one of Scandinavia's leading media groups. The major businesses are in Norway, Sweden, France and Spain, but the Group also has operations in other countries in Europe, Latin America, Asia and Africa. Schibsted's operations are divided in four operating segments: Online classifieds, Schibsted Norge media house, Schibsted Sverige media house and Media Houses International. Schibsted has a presence in classifieds, printed newspapers, online newspapers and directories.

The financial statements were approved by the Board of Directors on 24 March 2015 and will be proposed to the General Meeting 8 May 2015.

## NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

### BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements have been prepared based on a historical cost basis, with the exception of financial instruments in the categories Financial assets and Financial liabilities at fair value through profit or loss and Financial assets available for sale which are measured at fair value and Loans and receivables and Other financial liabilities which are measured at amortised cost.

In the consolidated income statement, expenses are presented using a classification based on the nature of the expenses.

Determining the carrying amounts of some assets and liabilities requires management to estimate the effects of uncertain future effects on those assets and liabilities at the balance sheet date. Key sources of estimation uncertainty at the balance sheet date having a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 3.

### CHANGE IN ACCOUNTING POLICIES

Except for the mandatory implementation of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities as at 1 January 2014, the accounting policies adopted are consistent with those of the financial year 2013.

IFRS 10 Consolidated financial statements has replaced the portion of IAS 27

Consolidated and Separate Financial Statements that addressed the principles for the presentation and preparation of consolidated financial statements. In addition it also includes the issues previously raised in SIC-12 Consolidation – Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The implementation of IFRS 10 has had no effect on the determination of whether an investee must be consolidated in the financial statements of Schibsted.

IFRS 11 Joint Arrangements has replaced IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, entities meeting the definition of a joint venture must be accounted for using the equity method. This affects the presentation of joint ventures in profit or loss and in the balance sheet, but has generally no effect on net profit or equity. The implementation of IFRS 11 has affected the presentation of all investments previously accounted for as joint ventures using proportionate consolidation. The investments classified as joint ventures are disclosed in note 13 Investments in joint ventures and associated companies.

The use of the equity method in accounting for joint ventures also implies that an investment retained in a former joint venture becoming an associated company shall not be remeasured at fair value. The implementation of IFRS 11 has consequently reduced the gain recognised in profit or loss in 2013 related to reduced ownership interest in 701 Search Pte. by NOK 525 million with a corresponding effect on equity.

IFRS 11 Joint Arrangements is applied retrospectively. As a result of the accounting policy change, the following adjustments were made to the financial statements:

(NOK million)	As previously reported	Effect of restatement	Restated
<b>As at 1 January 2013:</b>			
Consolidated balance sheet:			
Intangible assets	9,113	(86)	9,027
Property, plant and equipment	1,777	(6)	1,771
Investments in joint ventures and associated companies	488	149	637
Other non-current assets	194	23	217
Inventories	117	(5)	112
Trade and other receivables	2,447	(175)	2,272
Cash and cash equivalents	1,031	(53)	978
Other non-current liabilities	296	(3)	293
Other current liabilities	4,293	(150)	4,143

(NOK million)	As previously reported	Effect of restatement	Restated	
<b>As at and for the year ended 31 December 2013:</b>				
Consolidated income statement:				
Operating revenues	15,232	(362)	14,870	Subsidiaries are all entities controlled, directly or indirectly, by Schibsted ASA. The group controls an entity when it is exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to affect those returns through power over the entity. Power over an entity exists when the group has existing rights that give it the current ability to direct the activities that significantly affect the entity's returns.
Raw materials and finished goods	(871)	21	(850)	
Personnel expenses	(5,474)	160	(5,314)	
Other operating expenses	(7,228)	299	(6,929)	
Depreciation and amortisation	(490)	14	(476)	
Share of profit (loss) of joint ventures and associated companies	13	(136)	(123)	Generally, there is a presumption that a majority of voting rights result in control. The group considers all relevant facts and circumstances in assessing whether control exist, including contractual arrangements and potential voting rights to the extent that those are substantive.
Other income and expenses	1,169	(522)	647	
Financial expenses	(237)	1	(236)	
Profit (loss)	1,562	(525)	1,037	
Earnings per share (NOK)	14.32	(4.89)	9.43	
Diluted earnings per share (NOK)	14.31	(4.89)	9.42	
Consolidated statement of comprehensive income:				
Comprehensive income	2,184	(525)	1,659	Subsidiaries are included in the consolidated financial statements from the date Schibsted ASA effectively obtains control of the subsidiary (acquisition date) and until the date Schibsted ASA ceases to control the subsidiary.
Consolidated balance sheet:				
Intangible assets	10,337	(125)	10,212	Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to the parent Schibsted ASA. Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the owners of the parent. Profit or loss and comprehensive income attributable to non-controlling interests are disclosed as allocations for the period of profit or loss and comprehensive income attributable to non-controlling interests and owners of the parent, respectively.
Property, plant and equipment	1,439	(8)	1,431	
Investments in joint ventures and associated companies	1,074	(420)	654	
Deferred tax assets	123	(6)	117	
Other non-current assets	157	28	185	
Inventories	53	(2)	51	
Trade and other receivables	2,623	(109)	2,514	
Current financial assets	28	(28)	-	
Cash and cash equivalents	1,240	(38)	1,202	
Equity attributable to owners of the parent	7,850	(525)	7,325	All business combinations in which Schibsted ASA or a subsidiary is the acquirer, i.e. the entity that obtains control of an other entity or business, are accounted for by applying the acquisition method.
Deferred tax liabilities	741	(5)	736	
Other non-current liabilities	458	(45)	413	
Current interest-bearing borrowings	428	(82)	346	
Income tax payable	360	(1)	359	
Other current liabilities	3,976	(50)	3,926	

IFRS 12 Disclosure of Interests in Other entities specifies disclosure requirements related to investments in subsidiaries, joint arrangements, associated companies and structured entities. The implementation of IFRS 12 only affects the extent and presentation of note disclosures.

#### CONSOLIDATION PRINCIPLES

The consolidated financial statements include the parent Schibsted ASA and all subsidiaries, presented as the financial statements of a single economic entity. Intragroup balances, transactions, income and expenses are eliminated.

Subsidiaries are all entities controlled, directly or indirectly, by Schibsted ASA. The group controls an entity when it is exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to affect those returns through power over the entity. Power over an entity exists when the group has existing rights that give it the current ability to direct the activities that significantly affect the entity's returns.

Generally, there is a presumption that a majority of voting rights result in control. The group considers all relevant facts and circumstances in assessing whether control exist, including contractual arrangements and potential voting rights to the extent that those are substantive.

Subsidiaries are included in the consolidated financial statements from the date Schibsted ASA effectively obtains control of the subsidiary (acquisition date) and until the date Schibsted ASA ceases to control the subsidiary.

Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to the parent Schibsted ASA. Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the owners of the parent. Profit or loss and comprehensive income attributable to non-controlling interests are disclosed as allocations for the period of profit or loss and comprehensive income attributable to non-controlling interests and owners of the parent, respectively.

All business combinations in which Schibsted ASA or a subsidiary is the acquirer, i.e. the entity that obtains control of an other entity or business, are accounted for by applying the acquisition method.

The identifiable assets acquired and the liabilities including contingent liabilities assumed are measured at their acquisition-date fair values. Any non-controlling interest in the acquiree is measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. The consideration transferred is measured at fair value. Any excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and the fair value of any previously held equity interest in the acquiree over the net of identifiable assets acquired and liabilities assumed, is recognised as goodwill. Acquisition-related costs incurred, except those related to debt or equity, are expensed.

The acquisition-date fair value of contingent consideration is recognised as part of the consideration transferred in exchange for the acquiree. Subsequent changes in the fair value of contingent consideration deemed to be a liability is recognised in profit or loss.

In business combinations achieved in stages, the previously held equity interest is remeasured at its acquisition-date fair value with the resulting gain or loss recognised in profit or loss.

Changes in ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of non-controlling interests is adjusted to reflect the change in their relative share in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

When control of a subsidiary is lost, the assets and liabilities of the subsidiary and the carrying amount of any non-controlling interests are derecognised. Any

consideration received and any investment retained in the former subsidiary is recognised at their fair values. The difference between amounts recognised and derecognised is recognised as gain or loss in profit or loss. Amounts recognised in other comprehensive income related to the subsidiary are reclassified to profit or loss or transferred to equity similarly as if the parent had disposed of the assets and liabilities directly. Amounts reclassified to profit or loss (including accumulated translation differences and accumulated fair value adjustments to Financial assets available for sale) are included in gain or loss on loss of control of subsidiary in profit or loss.

#### **INVESTMENTS IN JOINT ARRANGEMENTS AND ASSOCIATES**

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement and exists when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as joint ventures if they are structured through separate vehicles and the parties have rights to the net assets of the arrangements.

An associate is an entity over which Schibsted ASA, directly or indirectly through subsidiaries, has significant influence. Significant influence is normally presumed to exist when Schibsted controls 20% or more of the voting power of the investee.

Investments in joint ventures and associates are accounted for using the equity method. On initial recognition, the investment is recognised at cost. The Group's share of the investee's profit or loss is recognised in profit or loss and the share of changes in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Distributions received reduce the carrying amount of the investment.

When the Group's share of losses of a joint venture or an associate equals or exceeds the interest in the joint venture or associate, the Group does not recognise further losses unless it has incurred legal or constructive obligations. The interest in a joint venture or an associate includes any long-term unsecured receivables.

The use of the equity method is discontinued from the date an investment ceases to be a joint venture or an associate. The difference between the total of the fair value of any retained interest and any proceeds from disposing of a part interest in a joint venture or an associate, and the carrying amount of the investment, is recognised as gain or loss in profit or loss.

If the Group's ownership interest in a joint venture or an associate is reduced, but the equity method is still applied, a gain or loss from the partial disposal is recognised in profit or loss. The retained interest is not remeasured.

Gains or losses resulting from upstream or downstream transactions between the Group and a joint venture or an associate, including any sale or contribution of subsidiaries to a joint venture or an associate, are recognised only to the extent of unrelated investors' ownership interests in the joint venture or associate.

Whenever there is objective evidence that an investment may be impaired, that investment is tested for impairment and an impairment loss is recognised if its recoverable amount (higher of value in use and fair value less costs to sell) is less than its carrying amount. Impairment losses are reversed if the loss no longer exists.

#### **ACCRUAL, CLASSIFICATION AND VALUATION PRINCIPLES**

##### **Classification – current / non-current distinction**

Cash and cash equivalents, assets included in the normal operating cycle and other financial assets expected to be realised within twelve months after the reporting period are classified as current assets. Liabilities included in the normal operating cycle and liabilities due to be settled within twelve months after the reporting period are classified as current liabilities. Other assets and liabilities are classified as non-current.

##### **Operating segments**

The division into operating segments is based on the organisation of the Group and corresponds to the internal management reporting to the chief operating decision maker, defined as the CEO.

##### **Revenue recognition**

Revenue from sale of goods is recognised when delivery has occurred and the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction (the percentage of completion method) provided that the outcome of the transaction can be estimated reliably. Discounts are recognised as a revenue reduction.

Advertising revenue in printed media is recognised when inserted. Subscription revenues for printed media are invoiced in advance and recognised upon delivery over the subscription period. Revenue from other sales of goods, including casual sales, are recognised upon delivery, taking into account estimated future returns.

Online advertising revenue is recognised when displayed. Other revenues from the internet, including subscription based revenues, are recognised in the periods in which the service is rendered.

Commissions related to sales of ads and casual sales are recognised as operating expenses.

When goods are sold or services rendered in exchange for dissimilar goods or services, revenue is recognised in accordance with the recognition policy related to relevant goods or services. Revenue is measured at the fair value of the goods or services delivered or received, depending on which item that can be measured reliably.

Interest income is recognised using the effective interest method and dividends are recognised when the right to receive payment is established.

##### **Government grants**

Government grants are recognised when there is reasonable assurance that the conditions attaching to them will be complied with, and that the grants will be received.

Government grants, including press subsidies, are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

##### **Financial instruments**

The Group initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets and financial liabilities (including financial assets designated at fair value through profit or loss) are recognised

initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group classifies at initial recognition its financial instruments in one of the following categories: Financial assets or financial liabilities at fair value through profit or loss, Loans and receivables, Financial assets available for sale and Other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired.

Financial assets or financial liabilities at fair value through profit or loss are financial assets held for trading and acquired primarily with a view of selling in the near term. The category consists of financial derivatives unless they are designated and effective hedging instruments. Financial derivatives are included in the balance sheet items Trade and other receivables and Other current liabilities.

These financial assets and liabilities are measured at fair value when recognised initially, and transaction costs are charged to expense as incurred. Subsequently, the instruments are measured at fair value, with changes in fair value, including interest income, recognised in profit or loss as financial income or financial expenses.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The category is included in the balance sheet items Other non-current assets, Trade and other receivables and Cash and cash equivalents. Loans and receivables are recognised initially at fair value plus directly attributable transaction costs. Subsequently, loans and receivables are measured at amortised cost using the effective interest method, reduced by any impairment loss. Short-term loans and receivables are for practical reasons not amortised. Effective interest related to loans and receivables is recognised in profit or loss as Financial income.

Financial assets available for sale are non-derivative financial assets that are designated as available for sale or which are not classified in any other category. Carrying amount of financial assets available for sale is included in the balance sheet items Non-current financial assets and Current financial assets.

These financial assets are measured initially at fair value plus directly attributable transaction costs. Changes in fair value are recognised in other comprehensive income, except for impairment losses that are recognised in profit or loss. When an investment is derecognised, the cumulative gain or loss is transferred to profit or loss under financial income or expenses. Dividends are recognised when the right to receive payment is established.

Financial liabilities not included in any of the above categories are classified as other financial liabilities. The category other financial liabilities is included in the balance sheet items Non-current interest-bearing borrowings, Other non-current liabilities, Current interest-bearing borrowings and Other current liabilities. Other financial liabilities are recognised initially at fair value. Subsequently, other financial liabilities are measured at amortised cost using the effective interest method. Effective interest is recognised in income as financial expenses. Short-term financial liabilities are for practical reasons not amortised.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire and the Group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires. Any rights and obligations created

or retained in such a transfer are recognised separately as assets or liabilities.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. Indications of impairment is evaluated separately for each investment, but normally decline in value of more than 20% compared to cost will be considered to be significant, and normally a decline in value below cost lasting for more than 12 months will be considered to be prolonged. For Trade and other receivables, default in payments, significant financial difficulties of the debtor or probability that the debtor will enter bankruptcy or debt settlement negotiations are considered to be indicators that the Group will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the trade receivables is reduced through the use of an allowance account, and the loss is recognised as other operating expenses in the income statement, while impairment of other financial assets are recognised as financial expenses.

Fair value of financial instruments is based on quoted prices in an active market if such markets exist. If an active market does not exist, fair value is established by using valuation techniques that are expected to provide a reliable estimate of the fair value. The fair value of listed securities is based on current bid prices. The fair value of unlisted securities is based on cash flows discounted using an applicable risk-free market interest rate and a risk premium specific to the unlisted securities. Fair value of forward contracts is estimated based on the difference between the spot forward price of the contracts and the closing rate at the date of the balance sheet. The forward rate addition and deduction is recognised as interest income or interest expense. Fair value of interest and currency swaps is estimated based on discounted cash flows, where future interest rates are derived from market-based future rates.

#### **Treasury shares and transaction costs of equity transactions**

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Consideration paid or received is recognised directly in equity.

The transaction costs of issuing or acquiring own equity instruments are accounted for as a deduction from equity, net of any related income tax benefit.

#### **Foreign currency translation**

Each individual entity included in the consolidated financial statements measures its results and financial position using the currency of the primary economic environment in which it operates (the functional currency). The consolidated financial statements are presented in NOK which is Schibsted ASA's functional and presentation currency.

Foreign currency transactions are translated into the entity's functional currency on initial recognition by using the spot exchange rate at the date of the transaction. At the balance sheet date, assets and liabilities are translated from foreign currency to the entity's functional currency by

- translating monetary items using the exchange rate at the balance sheet date
- translating non-monetary items that are measured in terms of historical cost in a foreign currency using the exchange rate at the transaction date, and
- translating non-monetary items that are measured at fair value in a foreign currency using the exchange rate at the date when the fair value was determined.

Exchange differences arising on the settlement of, or on translating monetary items not designated as hedging instruments, are recognised in profit or loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss.

On initial designation of a hedge, the Group formally documents the relationship between the hedging instrument(s) and the hedged item(s), including risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows for the respective hedged items during the period for which the hedge is designated.

Gains or losses related to loans or currency derivatives in foreign currencies, designated as hedging instruments in a hedge of a net investment in a foreign operation, are recognised in other comprehensive income until disposal of the operation.

Upon incorporation of a foreign operation into the consolidated financial statements by consolidation, proportionate consolidation or the equity method, the results and financial position is translated from the functional currency of the foreign operation into NOK (the presentation currency) by using the step-by-step method of consolidation. Assets and liabilities are translated at the closing rate at the balance sheet date and income and expenses are translated at average rates for the period. Resulting exchange differences are recognised in other comprehensive income until the disposal of the foreign operation.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation, is treated as assets and liabilities of that foreign operation. They are therefore expressed in the functional currency of the foreign operation and translated at the closing rate at the balance sheet date.

#### **Property, plant and equipment**

Property, plant and equipment are measured at its cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount (cost less residual value) of property, plant and equipment is allocated on a systematic basis over its useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item, is depreciated separately.

Costs of repairs and maintenance are recognised in profit or loss as incurred. Cost of replacements and improvements are recognised in the carrying amount of the asset.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no economic benefits are expected from its use or disposal. Gain or loss arising from derecognition is included in profit or loss when the item is derecognised.

#### **Investment property**

Property that is not owner-occupied, but held to earn rentals or for capital appreciation, is classified as investment property. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses.

#### **Intangible assets**

Intangible assets are measured at its cost less accumulated amortisations and accumulated impairment losses. Amortisation of intangible assets with a finite useful life is allocated on a systematic basis over its useful life. Intangible assets with an indefinite useful life are not amortised.

Costs of developing software and other intangible assets are recognised as an expense until all requirements for recognition as an asset is met. The requirements for recognition as an asset include, among other requirements, the requirement to demonstrate probable future economic benefits and the requirement that the cost of the asset can be measured reliably. Costs incurred after the time that all the requirements for recognition as an asset are met are recognised as an asset. The cost of an internally generated intangible asset is the sum of expenditure incurred from the time all requirements for recognition as an asset are met and until the time the asset is capable of operating in the manner intended by management.

Expenditure related to development of technology-based intangible assets to be used in new markets will normally be charged to expense as the requirement to demonstrate probable future economic benefits will normally not be met.

Subsequent expenditure incurred in the operating stage to enhance or maintain an intangible asset are normally recognised as an expense as the requirement to demonstrate probable increased economic benefits will normally not be met.

#### **Impairment of non-financial assets**

Property, plant, equipment, intangible assets and goodwill are reviewed for impairment whenever an indication that the carrying amount may not be recoverable is identified. Goodwill and other intangible assets that have an indefinite useful life are tested annually for impairment. Impairment indicators will typically be changes in market developments, the competitive situation or technological developments.

An impairment loss is recognised in the Income statement if the carrying amount of an asset (cash generating unit) exceeds its recoverable amount.

The recoverable amount is the higher of value in use and fair value less cost to sell. Value in use is assessed by discounting estimated future cash flows. Estimated cash flows are based on management's experience and market knowledge for the given period, normally five years. For subsequent periods growth factors are used that do not exceed the long-term average rate of growth for the relevant market. Expected cash flows are discounted using an after tax discount rate that takes into account the expected long-term interest rate with the addition of a risk margin appropriate for the assets being tested. For the purpose of impairment testing, assets, except goodwill, are grouped together into the smallest group of assets that generates independent cash

flows (cash-generating units). Goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Testing for impairment of goodwill is done by comparing recoverable amount and carrying amount of the same groups of cash-generating units as to which goodwill is allocated. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill. Any remaining amount is then allocated to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses are reversed if the loss no longer exists for all property, plant and equipment and intangible assets with the exception of goodwill where impairment losses are not reversed.

#### **Leases**

Leases are classified as either finance leases or as operating leases. Leases that transfer substantially all the risks and rewards incidental to the asset are classified as finance leases. Other leases are classified as operating leases.

When Schibsted is lessee in a finance lease, the leased asset and the liability related to the lease is recognised in the balance sheet. Depreciable leased assets are depreciated systematically over the useful life of the asset. Lease payments are apportioned between interest expense and reduction of the liability.

Lease payments related to operating leases are recognised as an expense over the lease term.

#### **Borrowing costs**

Borrowing costs are generally recognised as an expense in the period in which they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale ("qualifying asset"), are capitalised as part of the cost of that asset.

#### **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories are assigned by using the first-in, first-out (FIFO) cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **Post-employment benefits**

Pension plans, including multi-employer plans, are classified as defined contribution plans or defined benefit plans depending on the economic substance of the plan. Pension plans in which Schibsted's obligation is limited to the payment of agreed contributions and in which the actuarial risk and the investment risk fall on the employee, are classified as defined contribution plans. Other plans are classified as defined benefit plans.

As net defined benefit liability is recognised the present value of the benefit obligation at the balance sheet date, less fair value of plan assets.

Net pension expense related to defined benefit plans include service cost and net interest on the net defined benefit liability recognised in profit or loss

and remeasurements of the net defined benefit liability recognised in other comprehensive income.

The present value of defined benefit obligations, current service cost and past service cost is determined using the Projected Unit Credit Method and actuarial assumptions regarding demographic variables and financial variables.

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. Past service cost is recognised at the earlier date of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised.

The contribution payable to a defined contribution plan attributable to the reporting period is recognised in profit or loss.

Multi-employer plans classified as defined benefit plans, but for which sufficient information is not available to enable recognition as a defined benefit plan, are accounted for as if they were defined contribution plans.

Social security taxes are included in the determination of defined benefit obligations and net pension expense.

#### **Share-based payment**

In equity settled share-based payment transactions with employees, the employee services and the corresponding equity increase is measured by reference to the fair value of the equity instruments granted. The fair value of the equity instruments are measured at grant date, and is recognised as personnel expenses and equity increase immediately or over the vesting period when performance vesting conditions require an employee to serve over a specified time period.

At each reporting date the companies remeasure the estimated number of equity instruments that is expected to vest. The amount recognised as an expense is adjusted to reflect the number of equity instruments which is expected to be, or actually become vested.

In cash settled share-based payment transactions with employees, the employee services and the incurred liability is measured at the fair value of the liability. The employee services and the liability are recognised immediately or over the vesting period when performance vesting conditions require an employee to serve over a specified time period. Until the liability is settled, the fair value of the liability is revised at each balance sheet date and at settlement date, with changes in fair value recognised in profit or loss.

#### **Income taxes**

Current tax, which is the amount of income taxes payable in respect of taxable profit for a period, is, to the extent unpaid, recognised as a liability. If the amount paid exceeds the amount due, the excess is recognised as an asset.

A deferred tax liability is recognised for all taxable temporary differences, except for liabilities arising from the initial recognition of goodwill.

A deferred tax asset is recognised for deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits to the extent that it is probable that future taxable profit will be available against which these benefits can be utilised.

No deferred tax liability is recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures when Schibsted is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group records provisions relating to uncertain or disputed tax provisions at the amount expected to be paid. The provision is reversed if the disputed tax position is settled in favour of the Group and can no longer be appealed.

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Any amount recognised as current tax assets or liabilities and deferred tax assets or liabilities are recognised in profit or loss, except to the extent that the tax arises from a transaction or event recognised in other comprehensive income or directly in equity or arises from a business combination.

#### **Provisions, contingent liabilities and contingent assets**

A provision is recognised when an obligation exists (legal or constructive) as a result of a past event, it is probable that an economic settlement will be required as a consequence of the obligation, and a reliable estimate can be made of the amount of the obligation.

The best estimate of the expenditure required to settle the obligation is recognised as a provision. When the effect is material, the provision is discounted using a market based pre-tax discount rate.

A provision for restructuring costs is recognised when a constructive obligation arises. Such an obligation is assumed to have arisen when the restructuring plan is approved and the implementation of the plan has begun or its main features are announced to those affected by it.

Contingent liabilities and contingent assets are not recognised. Contingent liabilities are disclosed unless the possibility of an economic settlement as a consequence of the obligation is remote. Contingent assets are disclosed where an economic settlement as a consequence of the asset is probable.

#### **Other income and expenses**

Income and expenses included in operating profit, but being of a non-recurring nature and material in relation to operating segments, are reported on a separate line in the income statement. Other income and expenses will normally include restructuring costs, material gains and losses on sale of property, plant and equipment or intangible assets, as well as gains or losses relating to sale of subsidiaries, joint ventures and associated companies.

#### **Non-current assets held for sale**

A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sales transaction rather than through continuing use.

A disposal group includes assets to be disposed of, by sale or otherwise, together in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

A non-current asset or a disposal group classified as held for sale is measured at the lower of carrying amount and fair value less costs to sell. Non-current

assets classified as held for sale and non-current assets that are part of a disposal group classified as held for sale, are not depreciated.

Non-current assets and assets of a disposal group classified as held for sale are presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

#### **Discontinued operations**

The results of discontinued operations are presented separately in the income statement. A component of the Group that either has been disposed of or is classified as held for sale, and represents a separate major line of business, is classified as discontinued operations.

The results of discontinued operations are presented separately from the period the operation is disposed of or classified as held for sale. Previous periods are reclassified so that all items related to discontinued operations are presented separately from continuing operations for all periods presented.

#### **Statement of cash flows**

The statement of cash flows is prepared under the indirect method. Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

#### **Earnings per share**

Earnings per share and diluted earnings per share are presented for ordinary shares. Earnings per share are calculated by dividing profit (loss) attributable to owners of the parent by the weighted average number of shares outstanding. Diluted earnings per share is calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding, adjusted for all dilutive potential shares.

#### **Dividends**

Dividends are recognised as a liability at the date such dividends are appropriately approved by the company's shareholders' meeting.

#### **IFRS AND IFRIC INTERPRETATIONS NOT YET EFFECTIVE**

IASB has published certain new standards and interpretations and amendments to existing standards and interpretations that are not effective for the annual period ending 31.12.2014 and that are not applied when preparing these financial statements. New and amended standards and interpretations expected to be relevant the Group's financial position, performance or disclosures are disclosed below. None of the changes disclosed are EU-approved.

IFRS 9 Financial Instruments was finalized in 2014 and involves changes related to classification and measurement, hedge accounting and impairment of financial instruments. The standard will replace IAS 39 Financial Instruments: Recognition and Measurement. No mandatory date of implementation is set, but will be 1.1.2018 at the earliest. Schibsted will evaluate the potential impact of the standard in the period until implementation.

IFRS 15 Revenues from Contracts with Customers will replace all existing standards and interpretations related to revenue recognition. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of agreed goods or services to customers by an amount that reflects the consideration to which the entity expects to be entitled. The standard applies to all revenue contracts and

also provides a model for the recognition and measurement of sales of certain non-financial assets. Mandatory date of implementation is 1.1.2017. Schibsted will evaluate the potential impact of the standard in the period until implementation.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures are amended to eliminate an inconsistency between those standards regarding the sale or contribution of assets between an investor and its associate or joint venture. The main change is that a full gain or loss is to be recognised when a transaction involves a business. Under current accounting policies, gain or loss is recognised only to the extent of unrelated investors' ownership interests in the joint venture or associate. No mandatory date of implementation is set, but will be 1.1.2016 at the earliest. The amendments will be implemented prospectively to transactions occurring in annual periods beginning on or after the date of implementation.

## NOTE 3 USE OF ESTIMATES

In many areas the consolidated financial statements are affected by estimates. Important areas in which the use of estimates has significant effect on carrying amounts, and thus involves a risk of changes that could affect results in future periods, are described below.

The valuation of intangible assets in connection with business combinations and the testing of property, plant and equipment and intangible assets for impairment (see note 11 Intangible assets and note 12 Property, plant and equipment and investment property) will to a large extent be based on estimated future cash flows. Correspondingly, the expected useful lives and residual values included in the calculation of depreciation and amortisation will be based on estimates. The Group has activities within established media, but is also active in establishing positions at an early point in time in new media channels both through business combinations and its own start-ups. Estimates related to future cash flows and the determination of discount rates to calculate present values are based on management's expectations on market developments, the competitive situation, technological development, the ability to realise synergies, interest rate levels and other relevant factors. Such estimates involve uncertainty, and management's view on, and the actual development in the matters referred to, may change over time. Changes in management's opinion and actual development may lead to impairment losses in future periods.

Tangible and intangible assets are tested for impairment if there are indications that an asset may be impaired. Intangible assets that are not amortised are, as a minimum, tested annually for impairment. Indications of impairment will typically be changes in market development, the competitive situation and technological development. In the same way, depreciation and amortisation schedules and any residual values are reviewed periodically.

The risk of changes in expected cash flows that affect the financial statements will naturally be higher in markets in an early phase and be more limited in established markets. Further, the risk of changes will be significantly higher in periods with uncertain macroeconomic prognosis.

Uncertainty related to the macroeconomic situation in Spain has resulted in impairment losses of totally NOK 1,636 million being recognised in the years 2008 and 2012. The integration with Milanuncios, positive traffic development and positive macroeconomic development has reduced the risk of further impairment losses having to be recognised. Value in use for SCM Spain is calculated using a pre-tax discount rate (WACC) of 10.5% and a sustained growth of 1.5%. The expected net cash flows related to SCM Spain may decrease by approximately 30% compared to the estimates actually used, before any impairment loss will have to be recognised.

The structural changes in media consumption, with accelerated migration from print to digital results in pressure on profits and cash flows for the media houses in Norway and Sweden. Rapid adaption of the business model and cost base is required to be relevant and profitable in the digital future. Inability to convert print cash flows to digital cash flows can consequently lead to a negative adjustment to the cash flows.

Value in use of the Norwegian subscription based newspapers and related operations is calculated using a pre-tax discount rate (WACC) of 12.2% and a sustained growth of 0%. Changes in significant assumptions would have increased (decreased) recoverable amount (NOK million) at 31.12.2014 of these operations as follows:

WACC	+1%	(123)
	(1%)	144
Sustained growth year 6 and forward	+1%	149
	(1%)	(121)

An increase in WACC and a decrease in sustained growth of 1 percentage point would have resulted in an impairment loss of NOK 23 million and NOK 21 million, respectively. The estimates of future cash flows are uncertain. The expected future net cash flows related to the Norwegian subscription based newspapers may decrease by approximately 6.6% compared to the estimates actually used, before any impairment loss will have to be recognised.

Impairment losses of NOK 131 million is recognised in 2014. NOK 105 million of those impairment losses were related to plant and equipment of Norwegian printing operations.

Accounting for pension obligations requires that financial assumptions relating among others to the discount rate, expected salary increases and expected increases in pensions and National Insurance basic amount are determined. The effect on the defined benefit liabilities from changes in financial actuarial assumptions is disclosed in note 21 Pension plans.

Certain financial instruments are measured at fair value. When no quoted market price is available, fair value is estimated using different valuation techniques. The Group's financial instruments and valuation techniques are presented in note 10 Financial instruments by category.

Contingent consideration in business combinations and the present value of future consideration to be paid related to non-controlling interests' put options over shares in subsidiaries are recognised as financial liabilities, see note 25 Financial liabilities business combinations and increases in ownership interests.

The liabilities are recognised using estimated value, and the estimate can be changed in future periods as the consideration to be paid is dependent upon future fair value and / or future results.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with tax planning strategies.

Schibsted could potentially at any time be involved in litigations as a result of the Group's ordinary operations. The financial implications of litigations are constantly monitored and a liability is recognised when it is probable that the litigation will result in a future payment and a reliable estimate of the liability can be made.

## NOTE 4 CHANGES IN THE COMPOSITION OF THE GROUP

### CHANGES IN 2014:

Schibsted has in 2014 invested NOK 555 million (net NOK 532 million adjusted for cash in acquired companies) related to acquisition of subsidiaries (business combinations). See note 5 Business combinations for further information related to the business combinations.

Schibsted has in 2014 invested NOK 206 million related to increased ownership interests in subsidiaries. The most significant investments are the increase of ownership interest in DoneDeal Ltd. from 50.09% to 90.1% and the increase of ownership interest from 98.5% to 100% in InfoJobs S.A.

Changes in ownership interests in subsidiaries is accounted for as equity trancations. The effect on the equity attributable to owners of the parent is presented in the table below:

Consideration paid	(206)
Financial liabilities previously recognised related to non-controlling interests' put options	211
Adjustment to non-controlling interests	-
<b>Adjustment to equity attributable to owners of the parent</b>	<b>5</b>

Schibsted has in 2014 lost control over certain subsidiaries through disposals and contribution to joint ventures. The sales price amount to NOK 9 million and a net gain of NOK 27 million is recognised in profit or loss in the line item Other income and expenses.

In September 2014, Schibsted disposed of an office building in Stavanger through the sale of 100% of the shares of Nykirkebakken 2 AS. A lease-back agreement, expiring at the end of the third quarter of 2026, with options to prolong, is entered into. The transaction will have a net negative annual effect on gross operating profit of around NOK 25 million. A gain on sale of NOK 89 million is recognised in profit or loss in the line item Other income and expenses.

DoneDeal Ltd. and InfoJobs S.A. are included in operating segment Online classifieds. Nykirkebakken 2 AS is included in operating segment Schibsted Norge media house.

### CHANGES IN 2013:

Schibsted has in 2013 invested NOK 295 million (net NOK 258 million adjusted for cash in acquired companies) related to acquisition of subsidiaries (business combinations). See note 5 Business combinations for further information related to the business combinations.

Schibsted has in 2013 invested NOK 602 million related to increased ownership interests in subsidiaries. The most significant investments are the increase of ownership interest in Anuntis Segundamano Espana SL from 76.23% to 100% and the increase of ownership interest from 55% to 95% in Sibmedia Interactive S.R.L. (tocmai.ro).

Schibsted has in 2013 sold shares for NOK 33 million related to decreased ownership interests in subsidiaries, mainly related to reduced ownership interest from 100% to 90.2% in Hittapunktse AB.

Changes in ownership interests in subsidiaries is accounted for as equity trancations. The effect on the equity attributable to owners of the parent is presented in the table below:

Consideration received	33
Consideration paid	(602)
Financial liabilities previously recognised related to non-controlling interests' put options	598
Adjustment to non-controlling interests	(10)
<b>Adjustment to equity attributable to owners of the parent</b>	<b>19</b>

Schibsted has in 2013 lost control over certain subsidiaries through disposals. The sales price amount to NOK 908 million and a net gain of NOK 554 million is recognised in profit or loss in the line item Other income and expenses. Significant transactions are disclosed below.

In September 2013, Schibsted disposed of its operations in the Baltic countries. A loss of NOK 216 million is recognised in profit or loss in the line item Other income and expenses.

In September 2013, Schibsted and Telenor agreed to form a joint venture for online classified services in selected key markets in South America and Asia. The transaction was closed in December 2013. The new company SnT Classifieds is owned 50/50 by the two parties. Schibsted contributed its South American assets Bonnegocio.com (Brazil) and Yapo.cl (Chile) into the joint venture while Telenor contributed its Bangladesh asset Cellbazaar.com. In addition, Schibsted received a cash contribution from Telenor. A gain of NOK 755 million, related to the 50% interest disposed of, is recognised in profit or loss in the line item Other income and expenses. From closing, Schibsted has accounted for its investment in SnT Classifieds as a Joint Venture.

In September 2013, Schibsted reduced its ownership interest in Schibsted Classified Media AG (tutti.ch) from 100% to 50% by contributing the company to a newly established joint venture. Schibsted has in addition disposed of certain other businesses, including the film distributor Sandrew Metronome and Aspiro TV. A net gain of NOK 15 million is recognised in profit or loss in the line item Other income and expenses.

Simultaneously with the establishing of SnT Classifieds, Telenor also entered as an equal partner with Schibsted and Singapore Press Holdings, each owning 1/3 of the company, in the South East Asian online classifieds operation 701 Search Pte. A gain of NOK 256 million is recognised in profit or loss in the line item Other income and expenses. From closing, Schibsted has accounted for its investment in 701 Search Pte. as an associated company.

In December 2013, Schibsted disposed of an office building in Bergen through the sale of 100% of the shares of Krinkelkroken 1 AS. A lease-back agreement, expiring at the end of the first quarter of 2017, with options to prolong, is entered into. The transaction will have a net negative annual effect on gross operating profit of around NOK 20 million. A gain on sale of NOK 130 million is recognised in profit or loss in the line item Other income and expenses.

Anuntis Segundamano Espana SL, Sibmedia Interactive S.R.L, SnT Classifieds, Schibsted Classified Media AG and 701 Search Pte are included in operating segment Online classifieds. Hittapunktse AB is included in operating segment Schibsted Sverige media house. Krinkelkroken 1 AS is included in operating segment Schibsted Norge media house. Sandrew Metronome and Aspiro are included in Other.

## NOTE 5 BUSINESS COMBINATIONS

### BUSINESS COMBINATIONS IN 2014:

Schibsted has in 2014 invested NOK 532 million related to acquisition of new subsidiaries (business combinations). The amount comprises cash consideration transferred reduced by cash and cash equivalents of the acquiree.

In March 2014, Schibsted increased its ownership interest in Használtautó Informatikai Kft from 50% to 100% through acquisition of shares. The company operates a Hungarian online market place for cars (hasznalauto.hu). The previously held equity interest was accounted for as a joint venture and the business combination is accounted for as a step acquisition.

In November 2014, Schibsted acquired Milanuncios.com, one of the leading generalist online classified businesses in Spain through purchase of assets. The business was acquired in exchange for a cash component of EUR 50 million and a 10% participation in the combined Schibsted Classified Media Spain, comprising all of the Group's online classified businesses in Spain. The purchase price allocation related to Milanuncios is preliminary pending final assessment of identifiable assets.

Schibsted has also been involved in some other minor business combinations, including business combinations accounted for as step acquisitions. In step acquisitions, the previously held equity interest is measured at fair value at the acquisition date, and a total gain from remeasurement of NOK 40 million is recognised in profit or loss in the line item Other income and expenses.

Acquisition-related costs of NOK 10 million are recognised in profit or loss in the line item Other income and expenses.

The tables below summarise the consideration transferred and the amounts recognised for assets acquired and liabilities assumed after the business combinations:

	Milanuncios	Other	Total business combinations
<b>Consideration:</b>			
Cash	435	120	555
Contingent consideration	-	2	2
Non-controlling ownership interest in subsidiary	463	-	463
<b>Consideration transferred</b>	<b>898</b>	<b>122</b>	<b>1,020</b>
Fair value of previously held equity interest	-	120	120
<b>Total</b>	<b>898</b>	<b>242</b>	<b>1,140</b>

### Amounts for assets and liabilities recognised:

Trademarks (indefinite useful life)	475	20	495
Customer relations	-	34	34
Data systems and licenses	5	3	8
Property, plant and equipment	1	2	3
Trade receivables and other receivables	-	5	5
Cash and cash equivalents	-	23	23
Deferred tax liabilities	-	(7)	(7)
Current liabilities	-	(7)	(7)
<b>Total identifiable net assets</b>	<b>481</b>	<b>73</b>	<b>554</b>
Non-controlling interests	-	(5)	(5)
Goodwill	417	174	591
<b>Total</b>	<b>898</b>	<b>242</b>	<b>1,140</b>

The goodwill of NOK 591 million recognised is attributable to inseparable non-contractual customer relationships, the assembled workforce of the companies and synergies. NOK 417 million of the goodwill recognised is expected to be deductible for income tax purposes. The business combinations are carried out as part of Schibsted's growth strategy, and the businesses acquired are good strategic fits with existing operations within the Schibsted Media Group.

The fair value of acquired receivables is NOK 5 million, of which NOK 4 million are trade receivables. There is no material difference between the gross contractual amounts receivable and the fair value of the receivables.

Non-controlling interests are measured at the proportionate share of the acquiree's identifiable net assets. When Schibsted is obligated to acquire ownership interests from non-controlling interests, a financial liability is recognised with a corresponding adjustment to equity, see note 25 Financial liabilities business combinations and increases in ownership interests.

The companies acquired in the business combinations have since the acquisition dates contributed NOK 30 million to operating revenues and contributed positively NOK 3 million to consolidated profit (loss).

If the acquisition date of all business combinations, except for the acquisition of Milanuncios.com, was as of 1.1.2014, the operating revenues of the Group would have increased by NOK 13 million and profit (loss) would have increased by NOK 1 million. No separate financial statements exist for the business Milanuncios.com for the period before the acquisition.

**BUSINESS COMBINATIONS IN 2013:**

Schibsted has in 2013 invested NOK 179 million related to acquisition of new subsidiaries (business combinations). The amount comprises consideration transferred reduced by cash and cash equivalents of the acquiree. Schibsted has in addition paid NOK 79 million of contingent consideration related to prior year's business combinations (leboncoin.fr).

In July 2013, Schibsted increased its ownership interest in Sentinel Software AS from 33% to 87% through acquisition of shares. The company has developed and operates the industry system for handling used cars in Norway. The previously held equity interest was accounted for as an associated company and the business combination is accounted for as a step acquisition. The previously held equity interest is measured at fair value at the acquisition date, and a gain from remeasurement of NOK 2 million is recognised in profit or loss in the line item Other income and expenses.

In September 2013, Schibsted acquired 100% of the shares of Compricer AB. The company operates an online personal finance market place (compricer.se) and is a good strategic fit with the existing portfolio of fast growing personal finance services in Schibsted.

Schibsted has also been involved in some other minor business combinations.

The tables below summarise the consideration transferred and the amounts recognised for assets acquired and liabilities assumed after the business combinations:

	<b>Total business combinations</b>
<b>Consideration:</b>	
Cash	216
Contingent consideration	166
<b>Consideration transferred</b>	
Fair value of previously held equity interest	22
<b>Total</b>	<b>404</b>
<b>Amounts for assets and liabilities recognised:</b>	
Trademarks (indefinite useful life)	48
Trademarks (definite useful life)	4
Customer relations	6
Data systems and licenses	29
Property, plant and equipment	3
Trade receivables and other receivables	35
Cash and cash equivalents	37
Deferred tax liabilities	(13)
Non-current interest-bearing borrowings	(5)
Other non-current liabilities	(2)
Current liabilities	(49)
<b>Total identifiable net assets</b>	<b>93</b>
Non-controlling interests	(3)
Goodwill	314
<b>Total</b>	<b>404</b>

The goodwill of NOK 314 million recognised is attributable to inseparable non-contractual customer relationships, the assembled workforce of the companies and synergies. NOK 14 million of the goodwill recognised is expected to be deductible for income tax purposes. The business combinations are carried out as part of Schibsted's growth strategy, and the businesses acquired are good strategic fits with existing operations within the Schibsted Media Group.

The fair value of acquired receivables is NOK 35 million, of which NOK 16 million are trade receivables. There is no material difference between the gross contractual amounts receivable and the fair value of the receivables.

Non-controlling interests are measured at the proportionate share of the acquiree's identifiable net assets. When Schibsted is obligated to acquire ownership interests from non-controlling interests, a financial liability is recognised with a corresponding adjustment to equity, see note 25 Financial liabilities business combinations and increases in ownership interests.

The companies acquired in the business combinations have since the acquisition dates contributed NOK 71 million to operating revenues and contributed negatively NOK 9 million to consolidated profit (loss).

If the acquisition date of all business combinations was as of 1.1.2013, the operating revenues of the Group would have increased by NOK 94 million and profit (loss) would have decreased by NOK 12 million.

## NOTE 6 EVENTS AFTER THE REPORTING PERIOD

In November 2014 Schibsted, Naspers, Telenor and Singapore Press Holdings (SPH) agreed to establish joint ventures for the development of their online classifieds platforms in four key markets – Brazil, Indonesia, Thailand and Bangladesh. The ownership structure in the joint ventures will be as follows: Brazil: 50% Naspers and 50% SnT Classifieds, Indonesia: 64% Naspers and 36% 701 Search, Thailand: 55.9% 701 Search and 44.1% Naspers and Bangladesh: 50.3% SnT Classifieds and 49.7% Naspers. SnT Classifieds is an equal shareholding joint venture between Schibsted and Telenor and 701 Search is an equal partnership joint venture amongst Schibsted, Telenor and SPH. As part of the agreement, 701 Search will transfer its online classifieds business in the Philippines to Naspers, who will manage the operation. In certain other markets in Latin America and Asia Schibsted, SnT Classifieds and 701 Search, respectively, acquire Naspers' operations. At the same time, Naspers acquires the operations of Schibsted, SnT Classifieds and 701 Search in certain other markets. Schibsted expects that the transaction will result in a gain in the range of NOK 400–500 million. The transaction is not expected to have any significant tax effects, and it is cash neutral. The relevant transactions were closed in January 2015 and the joint ventures were then established.

In March 2015, Schibsted disposed of its 76% interest in Aspiro AB after accepting a public offer from Project Panther Bidco Ltd, a company controlled by S. Carter Enterprises, LLC to acquire Aspiro AB. The offer was declared unconditional on 13 March 2015. Schibsted's interest in Aspiro AB was held by Streaming Media AS, a subsidiary in which Schibsted holds a 74.62% interest. A gain of approximately NOK 200 million is expected to be recognised from the disposal.

Schibsted and Naspers reached in February 2015 an agreement whereby Schibsted acquires Naspers OLX operation in Hungary. Including the leading car vertical Hasznaltauto.hu, Schibsted will be the clear online classifieds market leader in Hungary after the transaction. At the same time, Naspers acquires Schibsted's online classifieds operations in Romania and Portugal. The Hungarian and Romanian transactions have been completed while completion of the transaction in Portugal is subject to clearance by the competition authorities in the country. The three transactions are cash neutral.

On 12 February 2015 Schibsted agreed to divest its 50 percent of the online classifieds operations in Switzerland (Tutti.ch and Car4You.ch) to the existing partner Tamedia. Schibsted receives a consideration of EUR 15 million and an earn-out subject to financial KPIs by 2018 of maximum CHF 12.5 million. The transaction is subject to approval of the Swiss Competition Commission.

## NOTE 7 DISCLOSURE OF OPERATING SEGMENTS

Schibsted reports four operating segments: Online classifieds, Schibsted Norge media house, Schibsted Sverige media house and Media Houses International.

Operating segment Online classifieds comprises the Norwegian online marketplace Finn and Schibsted Classified Media comprising all the Group's online classifieds operations outside Norway.

Operating segment Schibsted Norge media house comprises the media houses VG, Aftenposten, Bergens Tidende, Stavanger Aftenblad and Fædrelandsvennen, printing and distribution operations, and the publishing house Schibsted Forlag.

Operating segment Schibsted Sverige media house comprises publishing, where Aftonbladet and Svenska Dagbladet are the main units, and Schibsted Growth, a portfolio of internet based growth companies (including the online directory service Hitta).

Media Houses International comprises the concept for free newspapers 20 Minutes in Spain and France and Eesti Meedia Group (sold in September 2013, see note 4 Changes in the composition of the Group) comprising the Group's operations in the Baltic States.

Other comprises operations not included in the four reported operating segments, including Sandrew Metronome (sold in April 2013), Aspiro and Mötesplatsen.

Headquarters comprises the Group's headquarter Schibsted ASA and centralised functions within finance, real estate and IT.

Eliminations comprise intersegment sales. Transactions between operating segments are conducted on normal commercial terms. Headquarters has the majority of its operating revenues from other operating segments. The reported operating segments have only insignificant shares of intragroup operating revenues.

The division into operating segments corresponds to the management structure and the internal reporting to the Group's chief operating decision maker, defined as the CEO. The division reflects an allocation based partly on the type of operation and partly on geographical location.

In the operating segment information presented, Gross operating profit (loss) is used as measure of operating segment profit or loss. For internal control and monitoring, Operating profit (loss) is also used as measure of operating segment profit or loss.

Information about operating revenues and profit (loss) by operating segments is as follows:

2014	Online classifieds	Schibsted	Schibsted	Media Houses International	Other	Head- quarters	Eliminations	Total
		Norge media house	Sverige media house					
Subscription revenues	-	1,424	440	-	-	-	-	1,864
Casual sales revenues	-	1,232	989	-	-	-	-	2,221
Advertising revenues	4,434	2,568	1,666	122	-	-	-	8,790
Other revenues	203	931	598	1	361	6	-	2,100
<b>Operating revenues from external customers</b>	<b>4,637</b>	<b>6,155</b>	<b>3,693</b>	<b>123</b>	<b>361</b>	<b>6</b>	<b>-</b>	<b>14,975</b>
Operating revenues from other segments	104	62	69	8	1	367	(611)	-
<b>Operating revenues</b>	<b>4,741</b>	<b>6,217</b>	<b>3,762</b>	<b>131</b>	<b>362</b>	<b>373</b>	<b>(611)</b>	<b>14,975</b>
Operating expenses	(3,339)	(5,680)	(3,377)	(166)	(427)	(656)	611	(13,034)
<b>Gross operating profit (loss)</b>	<b>1,402</b>	<b>537</b>	<b>385</b>	<b>(35)</b>	<b>(65)</b>	<b>(283)</b>	<b>-</b>	<b>1,941</b>
Depreciation and amortisation	(135)	(192)	(73)	(4)	(6)	(57)	-	(467)
Share of profit (loss) of joint ventures and associated companies	(871)	2	(4)	(2)	-	34	-	(841)
Impairment loss	(22)	(105)	(4)	-	-	-	-	(131)
Other income and expenses	65	-	29	(1)	2	(19)	(68)	8
<b>Operating profit (loss)</b>	<b>439</b>	<b>242</b>	<b>333</b>	<b>(42)</b>	<b>(69)</b>	<b>(325)</b>	<b>(68)</b>	<b>510</b>

2013 Restated	Online classifieds	Schibsted	Schibsted	Media Houses International	Other	Head- quarters	Eliminations	Total
		Norge media house	Sverige media house					
Subscription revenues	-	1,300	428	42	-	-	-	1,770
Casual sales revenues	9	1,256	1,041	22	-	-	-	2,328
Advertising revenues	3,945	2,810	1,712	254	-	-	-	8,721
Other revenues	128	922	484	141	345	31	-	2,051
<b>Operating revenues from external customers</b>	<b>4,082</b>	<b>6,288</b>	<b>3,665</b>	<b>459</b>	<b>345</b>	<b>31</b>	<b>-</b>	<b>14,870</b>
Operating revenues from other segments	102	50	55	30	-	324	(561)	-
<b>Operating revenues</b>	<b>4,184</b>	<b>6,338</b>	<b>3,720</b>	<b>489</b>	<b>345</b>	<b>355</b>	<b>(561)</b>	<b>14,870</b>
Operating expenses	(3,192)	(5,615)	(3,366)	(485)	(396)	(600)	561	(13,093)
<b>Gross operating profit (loss)</b>	<b>992</b>	<b>723</b>	<b>354</b>	<b>4</b>	<b>(51)</b>	<b>(245)</b>	<b>-</b>	<b>1,777</b>
Depreciation and amortisation	(139)	(209)	(50)	(23)	(14)	(41)	-	(476)
Share of profit (loss) of joint ventures and associated companies	(141)	1	10	(9)	-	16	-	(123)
Impairment loss	(2)	(1)	(147)	-	-	-	-	(150)
Other income and expenses	874	99	(90)	(219)	(14)	(3)	-	647
<b>Operating profit (loss)</b>	<b>1,584</b>	<b>613</b>	<b>77</b>	<b>(247)</b>	<b>(79)</b>	<b>(273)</b>	<b>-</b>	<b>1,675</b>

**Information about operating revenues by products and services are as follows:**

Operating revenues	2014	Restated 2013
Classified	4,695	4,188
Printed newspapers	6,985	7,992
Online newspapers	3,439	2,858
Live pictures	4	5
Others	774	611
Eliminations	(922)	(784)
<b>Total</b>	<b>14,975</b>	<b>14,870</b>

Operating revenues include government grants at NOK 54 million in 2014 and NOK 59 million in 2013. In addition barter agreements are included with NOK 57 million in 2014 and NOK 77 million in 2013.

**Information about operating revenues and non-current assets by geographical areas**

In presenting geographical information, attribution of operating revenues is based on the location of group companies. There are no significant differences between the attribution of operating revenues based on the location of group companies and an attribution based on the customers' location. Non-current assets are attributed based on the geographical location of the assets.

Operating revenues	2014	Restated 2013
Norway	7,801	7,699
Sweden	4,636	4,725
France	1,259	970
Spain	835	804
Baltics	-	344
Other Europe	364	240
Other countries	80	88
<b>Total</b>	<b>14,975</b>	<b>14,870</b>

Non-current assets	2014	Restated 2013
Norway	3,077	3,292
Sweden	2,005	1,948
France	3,874	3,593
Spain	3,829	2,695
Baltics	-	-
Other Europe	769	439
Other countries	192	403
<b>Total</b>	<b>13,746</b>	<b>12,370</b>

Non-current assets comprise assets excluding deferred tax assets and financial instruments, expected to be recovered more than twelve months after the reporting period.

## NOTE 8 OTHER INCOME AND EXPENSES

Operating income and operating expenses that are of a non-recurring nature and are of material importance to the operating segments are separated from other ordinary operating revenues and operating expenses and reported in a separate line in the income statement.

**Other income and expenses consist of:**

	2014	Restated 2013
Restructuring costs	(239)	(158)
Gain (loss) on sale of subsidiaries, joint ventures and associated companies	27	802
Gain (loss) on sale of intangible assets, property, plant and equipment and investment property	89	130
Gain (loss) on amendment of pension plans	-	(1)
Gain from remeasurement of previously held equity interest in business combination achieved in stages	40	2
Acquisition-related costs	(10)	-
Other	101	(128)
<b>Total</b>	<b>8</b>	<b>647</b>

### 2014

Restructuring costs of NOK 239 million relate mainly to staff reductions in Schibsted Norge's and Schibsted Sverige's subscription newspapers, in addition to the close down of printing operations in Kristiansand.

A gain of NOK 27 million is recognised related to loss of control of businesses through disposals and contribution to joint venture. Transactions include sale of the travel website Destinationpunktse AB and the contribution of Schibsted's online classified operations in Morocco to a newly established joint venture.

A gain of NOK 89 million is recognised related to sale of an office building in Stavanger. For further explanation see note 4 Changes in the composition of the Group.

Schibsted has been involved in certain business combinations accounted for as step acquisitions, including the acquisition of Használtautó Informatikai Kft. A total gain from remeasurement of previously held equity interests is recognised by NOK 40 million.

Acquisition related costs of NOK 10 million arose from the purchase of the Spanish classified site Milanuncios.

Other includes decrease in contingent consideration related to prior business combination and change in provision related to refocusing of the online classifieds operations in France.

## 2013

Restructuring costs of NOK 158 million mainly came from Schibsted Sverige media house, Anuntis and the Norwegian printing operations.

Gain (loss) on sale of subsidiaries, joint ventures and associated companies include gains and losses on sale of SnT Classifieds, 701 Search Pte, the operations in the Baltic countries and other businesses. For further explanation see note 4 Changes in the composition of the Group.

Gain (loss) on sale of intangible assets, property, plant and equipment and investment property include gain on sale of an office building in Bergen.

Other includes a provision related to refocusing of the online classified operations in France.

## NOTE 9 FINANCIAL RISK MANAGEMENT

### Funding and capital management

Schibsted is a listed company that aims to provide a competitive rate of return based on healthy finances. Schibsted aims to maximise the shareholders' return through long-term growth in the share price and dividend.

The Group's strategy and vision imply a high rate of change and development of the Group's operations. Schibsted's capital structure must be sufficiently robust in order to maintain the desired freedom of action and utilise growth opportunities based on strict assessments relating to allocation of capital.

### The Group's capital consists of net interest-bearing debt and equity:

	2014	Restated 2013
Non-current interest-bearing borrowings	2,132	1,971
Current interest-bearing borrowings	696	346
Cash and cash equivalents	745	1,202
<b>Net interest-bearing debt</b>	<b>2,083</b>	<b>1,115</b>
Group equity	6,790	7,586
Net gearing (net interest-bearing debt/ equity)	0.31	0.15
Undrawn long-term bank facilities	3,841	3,772

Schibsted will emphasise having a fixed dividend payout ratio which, over time, is to be 25–40% of the Group's normalised cash flow per share. In years when there is an economic slowdown, the company will try to pay dividend at the upper part of the target interval provided that the Group's capital structure allows this.

Funding and control of refinancing risk is handled by Group treasury on the parent company level. Schibsted has a diversified loan portfolio both in terms of loan sources and maturity profile. The most important funding sources are the Norwegian bond market and banks. Schibsted does not have an official

credit rating, but is rated by lenders and was classified BBB by most of them. Schibsted's objective is to be considered as an investment grade rated company over time (BBB- or better) and for the time being official rating is not considered necessary. The financial flexibility is considered as good and the Group's ratio of net interest-bearing debt to gross operating profit was 1.1 according to the definition of the loan agreements at the end of 2014. The target level is 1–2. Refinancing risk is considered as low.

Available liquidity should at all times be equal to at least 10% of expected annual revenues. Available liquidity refers to the Group's cash and cash equivalents and available long-term bank facilities.

### Financial risk

Schibsted is exposed to financial risks, such as currency risk, interest rate risk, liquidity risk and credit risk. Group treasury is responsible for keeping the Group's exposure in financial risks in accordance with the financial strategy over time.

### Currency risk

Schibsted has Norwegian kroner (NOK) as its base currency, but is through its operations outside Norway also exposed to fluctuations in the exchange rates of other currencies, mainly Euro (EUR) and Swedish kronor (SEK). Schibsted has currency risks linked to both balance sheet monetary items and the translation of investments in foreign operations. The Group makes use of loans in foreign currencies and financial derivatives (forward contracts and cross currency swaps) to reduce its currency exposure. The loans in foreign currencies and the financial derivatives are managed actively in accordance with the Group's financial strategy. The Group's monetary items exposure appears in note 22 Interest-bearing borrowings and in note 18 Cash and cash equivalents. As at 31.12.2014 the Group had entered into several forward contracts involving the purchase and sale of currencies and several interest rate and currency swap agreements for this purpose.

Currency gains and losses relating to borrowings and forward contracts which hedge net investments in foreign operations are recognised in Other comprehensive income until the foreign operation is disposed of. Other currency gains and losses are recognised in the income statement on an ongoing basis as other financial income or expenses.

As at 31.12.2014 Schibsted has the following forward contracts, which all mature in 2015:

	Currency	Amount	NOK
Forward contracts, sale	CHF	6	45
Forward contracts, sale	EUR	10	90
Forward contracts, sale	SEK	150	144

As at 31.12.2014 forward contracts for the sale of SEK 150 million are related to hedging of net investments in foreign operations. Fair value of the contracts accounted for as hedges was NOK (6) million as at 31.12.2014. Fair value of other forward contracts was NOK 1 million as at 31.12.2014.

Cash flows in foreign currencies relating to considerable investments or significant individual transactions are hedged by using financial instruments. At year-end the Group had no such contracts. The Group's foreign exchange

exposure relating to operations is low, since most of the cash flows take place in the individual businesses' local currency.

As at 31.12.2014 Schibsted has the following cross currency swaps, which mature in 2015-2017:

	Currency	Currency Payment	NOK		Receive
			Receive	Pay	
Cross currency swap	EUR	35	Euribor 6 months + margin	300	Nibor 6 months + margin
Cross currency swap	EUR	38	Euribor 3 months + margin	315	Nibor 3 months + margin
Cross currency swap	EUR	50	Euribor 3 months + margin	405	Nibor 3 months + margin
Cross currency swap	SEK	450	Stibor 3 months +margin	400	Nibor 3 months + margin
Cross currency swap	SEK	200	Stibor 3 months +margin	185	Nibor 3 months + margin

The cross currency swap agreements are linked to bonds and floating rate notes and matches the payments completely during the contract period. The agreements are accounted for as hedges. The fair value of the agreements was NOK (136) million as at 31.12.2014.

Schibsted follows a currency hedging strategy where parts of net investments in foreign operations are hedged. As at 31.12.2014 67% of the Group's net interest-bearing debt and derivatives was in EUR. Similarly, 31% of the Group's net interest-bearing debt and derivatives was in SEK.

The sensitivity of exchange rate fluctuations is as follows: if NOK changes by 10% compared to the actual rate as at 31.12.2014 for SEK and EUR, the carrying amount of the Group's net interest-bearing debt and currency derivatives in total will change by approximately NOK 205 million. Currency effects will have a limited effect on Group profits since changes in value will be tied to instruments hedging the net foreign investments or matching interest-bearing loans to non-Norwegian subsidiaries.

A change in exchange rates also affects the translation of net foreign assets to NOK. The equity effect of these changes is to some extent reduced by the Group's currency hedging, where changes in the value of net foreign assets are mitigated by changes in the value of the Group's foreign-denominated interest-bearing borrowings and currency derivatives.

#### Interest rate risk

Schibsted has floating interest rates on most of its interest-bearing borrowings according to the financial strategy, see note 22 Interest-bearing borrowings, and is thereby influenced by changes in the interest market. A change of 1 percentage point in the floating interest rate means a change in Schibsted's interest expenses of approximately NOK 28 million. This will partly be compensated by a change in interest income of approximately NOK 7 million.

Interest rate swap agreements have been entered into to swap the bonds issued in 2012 from fixed interest rates to floating interest rates based on Nibor 6 months with addition of a margin. An interest rate swap has also been entered into converting the floating rate note issued in December 2012 from Nibor 3 months with addition of a margin to Nibor 6 months with addition of a margin.

As at 31.12.2014 Schibsted has the following interest rate swap agreements in NOK:

	Amount	Pay	Receive
Interest rate swap	150	Nibor 6 months + margin	5.9%
Interest rate swap	150	Nibor 6 months + margin	5.9%
Interest rate swap	250	Nibor 6 months + margin	5.4%
Interest rate swap	150	Nibor 6 months + margin	Nibor 3 months + margin

The fair value of the interest rate swap agreements was NOK 56 million as at 31.12.2014.

#### Raw materials risk

Schibsted is a consumer of newsprint and is therefore exposed to price changes. A change in the price of 1% has an impact on raw materials expenses for the Group of approximately NOK 5 million per year. Newsprint prices in Norway, Sweden and Spain are negotiated annually with suppliers and have already been settled for 2015.

#### Credit and counterparty risk

The Group has recorded a low level of losses relating to trade receivables, see Note 17 Trade and other receivables.

Account receivables are diversified through a high number of customers, customer categories and markets. Account receivables consist of a combination of prepaid subscription or advertisements and sales invoiced after delivery of the product. For some receivables there are no or very little credit risk (prepaid subscription and payments made by credit card at purchase date) and for other receivables the credit risk is higher. Credit risk will also vary among countries in which Schibsted operates. To some extent credit insurance is also used. In total the credit risk is considered as low. Net carrying amount of the Group's financial assets, except for equity instruments, represents maximum credit exposure, and the exposure as at 31.12.2014 is disclosed in note 10 Financial instruments by category. Exposure related to the Group's trade receivables is disclosed in note 17 Trade and other receivables.

Schibsted has a conservative placement policy where excess liquidity is used for loan repayments. Until due date the excess liquidity is temporarily placed in the Group's cash pool, and at times in the short-term money market with the relationship banks. Schibsted requires all relationship banks to have a certain rating.

#### Liquidity risk

At year-end the Group's portfolio of loans and loan facilities is well diversified both regarding maturity profile and lenders.

At the end of 2014 Schibsted has a long-term liquidity reserve of NOK 4.6 billion and net interest-bearing debt is NOK 2,083 million. The liquidity reserve corresponds to 31% of the Group's turnover. The Group has as target that the aggregate liquidity reserve should be at least 10% of the next 12 months' expected turnover.

Schibsted's loan agreements contain financial covenants regarding the ratio of net interest-bearing debt to gross operating profit. The ratio shall normally not exceed 3, but can be reported at higher levels up to three quarters during the loan period, as long as the ratio stays below 4. According to the definition of the loan agreements, the ratio was 1.1 as at 31.12.2014.

## NOTE 10 FINANCIAL INSTRUMENTS BY CATEGORY

**Carrying amount of assets and liabilities are divided into categories as follows:**

	Note	Balance as at 31.12.2014	Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Financial assets available for sale	Other financial liabilities	Other assets and liabilities
Intangible assets	11	11,906	-	-	-	-	11,906
Property, plant and equipment and investment property	12	1,287	-	-	-	-	1,287
Investments in joint ventures and associated companies	13	547	-	-	-	-	547
Non-current financial assets	14	17	-	-	17	-	-
Deferred tax assets	30	413	-	-	-	-	413
Other non-current assets	15	106	-	100	-	-	6
Inventories	16	56	-	-	-	-	56
Trade and other receivables	17	2,797	-	2,499	-	-	298
Cash and cash equivalents	18	745	-	745	-	-	-
<b>Total assets</b>		<b>17,874</b>	<b>-</b>	<b>3,344</b>	<b>17</b>	<b>-</b>	<b>14,513</b>
Deferred tax liabilities	30	760	-	-	-	-	760
Pension liabilities	21	1,911	-	-	-	-	1,911
Non-current interest-bearing borrowings	22	2,132	-	-	-	2,132	-
Other non-current liabilities	23	970	140	-	-	703	127
Current interest-bearing borrowings	22	696	-	-	-	696	-
Income tax payable		291	-	-	-	-	291
Other current liabilities	24	4,324	5	-	-	3,147	1,172
<b>Total liabilities</b>		<b>11,084</b>	<b>145</b>	<b>-</b>	<b>-</b>	<b>6,678</b>	<b>4,261</b>

	Note	Balance as at 31.12.2013 Restated	Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Financial assets available for sale	Other financial liabilities	Other assets and liabilities
Intangible assets	11	10,212	-	-	-	-	10,212
Property, plant and equipment and investment property	12	1,499	-	-	-	-	1,499
Investments in joint ventures and associated companies	13	654	-	-	-	-	654
Non-current financial assets	14	17	-	-	17	-	-
Deferred tax assets	30	117	-	-	-	-	117
Other non-current assets	15	185	-	180	-	-	5
Inventories	16	51	-	-	-	-	51
Trade and other receivables	17	2,514	2	2,218	-	-	294
Cash and cash equivalents	18	1,202	-	1,202	-	-	-
<b>Total assets</b>		<b>16,451</b>	<b>2</b>	<b>3,600</b>	<b>17</b>	<b>-</b>	<b>12,832</b>
Deferred tax liabilities	30	736	-	-	-	-	736
Pension liabilities	21	1,114	-	-	-	-	1,114
Non-current interest-bearing borrowings	22	1,971	-	-	-	1,971	-
Other non-current liabilities	23	413	-	-	-	362	51
Current interest-bearing borrowings	22	346	-	-	-	346	-
Income tax payable		359	-	-	-	-	359
Other current liabilities	24	3,926	5	-	-	3,693	228
<b>Total liabilities</b>		<b>8,865</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>6,372</b>	<b>2,488</b>

**The fair value of the Group's financial derivatives is as follows:**

	Assets		Liabilities	
	2014	2013	2014	2013
Forward contracts	-	2	5	5
Interest rate and currency swap	-	-	134	-
Warranties	-	-	6	-
<b>Total</b>	-	<b>2</b>	<b>145</b>	<b>5</b>

**The Group's financial assets and liabilities measured at fair value, analysed by valuation method, are as follows:**

31.12.2014:	Level 1	Level 2	Level 3	Total
Financial assets available for sale	-	-	17	<b>17</b>
Financial liabilities at fair value through profit or loss	-	145	-	<b>145</b>
Financial liabilities business combinations and increases in ownership interests	-	-	826	<b>826</b>
<b>Restated 31.12.2013:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets available for sale	-	-	17	<b>17</b>
Financial assets at fair value through profit or loss	-	2	-	<b>2</b>
Financial liabilities at fair value through profit or loss	-	5	-	<b>5</b>
Financial liabilities business combinations and increases in ownership interests	-	-	544	<b>544</b>

**The different valuation methods have been defined as follows:**

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Valuation based on inputs for the asset or liability that are unobservable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and these prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

**Changes in level 3 instruments:**

	2014	2013
Net carrying amount 1.1	(527)	(1,051)
Additions	(526)	(173)
Settlements	206	677
Changes in fair value recognised in equity	13	148
Changes in fair value recognised in other comprehensive income	(23)	(103)
Changes in fair value recognised in profit or loss	48	(25)
<b>Net carrying amount 31.12</b>	<b>(809)</b>	<b>(527)</b>

Changes in fair value recognised in other comprehensive income is recognised in the line item Exchange differences on translating foreign operations. Changes in fair value recognised in profit or loss is recognised in the line item Financial expenses and Other income and expenses.

## NOTE 11 INTANGIBLE ASSETS

	Goodwill	Other intangible assets	Total
<b>1.1 – 31.12.2014</b>			
Net carrying amount 1.1.2014	7,235	2,977	10,212
Additions	-	200	200
Additions on purchase of businesses	591	537	1,128
Disposals	-	(1)	(1)
Disposals on sale of businesses	-	(1)	(1)
Reclassification	-	(2)	(2)
Amortisation	-	(205)	(205)
Impairment loss	(4)	(22)	(26)
Translation differences	412	189	601
<b>Net carrying amount 31.12.2014</b>	<b>8,234</b>	<b>3,672</b>	<b>11,906</b>

**As at 31.12.2014**

Cost	10,004	5,123	15,127
Accumulated amortisation and impairment losses	(1,770)	(1,451)	(3,221)
<b>Net carrying amount</b>	<b>8,234</b>	<b>3,672</b>	<b>11,906</b>

	Goodwill	Other intangible assets	Total
<b>1.1 – 31.12.2013 – Restated</b>			
Net carrying amount 1.1.2013	6,384	2,643	9,027
Additions	-	210	210
Additions on purchase of businesses	314	95	409
Disposals on sale of businesses	(181)	(18)	(199)
Reclassification	-	23	23
Amortisation	-	(208)	(208)
Impairment loss	-	(17)	(17)
Translation differences	718	249	967
<b>Net carrying amount 31.12.2013</b>	<b>7,235</b>	<b>2,977</b>	<b>10,212</b>
<b>As at 31.12.2013 – Restated</b>			
Cost	9,001	4,129	13,130
Accumulated amortisation and impairment losses	(1,766)	(1,152)	(2,918)
<b>Net carrying amount</b>	<b>7,235</b>	<b>2,977</b>	<b>10,212</b>

**Other intangible assets include:**

	Expected useful life	Carrying amount		Restated 2013
		31.12.2014	31.12.2013	
Trademarks	Indefinite	3,163	2,495	
Trademarks	Finite	40	58	
Software and licenses	Finite	412	384	
Customer relations	Finite	57	40	
<b>Total</b>		<b>3,672</b>	<b>2,977</b>	

**Trademarks with indefinite expected useful lives can be specified on cash-generating units as follows:**

	Operating segment	2014	Restated 2013
Schibsted Norge	Schibsted Norge media house	440	437
Schibsted Sverige	Schibsted Sverige media house	108	107
SCM Spain	Online classifieds	1,473	908
SCM France	Online classifieds	820	761
SCM Italy	Online classifieds	186	173
SCM Belgium	Online classifieds	58	53
SCM Ireland	Online classifieds	55	51
SCM Hungary	Online classifieds	18	-
SCM Romania	Online classifieds	5	5
<b>Total</b>		<b>3,163</b>	<b>2,495</b>

Trademarks with an indefinite expected useful life have been acquired through acquisitions and are expected to generate cash flows over an indefinite period of time.

Intangible assets with a finite expected useful life are as a general rule amortised on a straight line basis over the expected useful life. The amortisation period of intangible assets is 1.5–10 years. The amortisation method, expected useful life and any residual value are assessed annually.

Schibsted has a clear goal of building a foundation for future growth by establishing in new markets. This is done to a large extent within Schibsted Classified Media through establishing operations that are primarily based on the successful Swedish Boklet.se concept.

For operations successfully established; technology, trademarks and goodwill that may have a significant value, will have been developed through the expenditure incurred. Such expenditure do not meet the requirements for recognition as intangible assets during the establishment phase, and all the expenditure related to such roll-outs, mainly marketing expenditure, are thus recognised as an expense when it is incurred. Such investments reduced Gross operating profit by NOK 503 million in 2014 and NOK 870 million in 2013.

**Goodwill can be specified on cash-generating units as follows:**

	Operating segment	Restated	
		2014	2013
Schibsted Forlag	Schibsted Norge media house	55	55
VG Group	Schibsted Norge media house	58	58
Schibsted Vekst	Schibsted Norge media house	8	7
Other Schibsted Norge	Schibsted Norge media house	644	641
Schibsted Sverige	Schibsted Sverige media house	467	444
Compricer	Schibsted Sverige media house	248	245
Hitta	Schibsted Sverige media house	129	128
Finn.no	Online classifieds	306	306
SCM France	Online classifieds	2,913	2,702
SCM Spain	Online classifieds	2,385	1,810
SCM Sweden	Online classifieds	501	495
SCM Hungary	Online classifieds	161	-
SCM Belgium	Online classifieds	92	86
SCM Ireland	Online classifieds	57	53
Other online classifieds	Online classifieds	26	24
Aspiro	Other	153	151
Møteplassen	Other	31	30
<b>Total</b>		<b>8,234</b>	<b>7,235</b>

Recoverable amounts of the cash-generating units were estimated based on value in use. Expected cash flows in 2014 are discounted using a pre-tax discount rate from 10.5% to 12.2% (10% to 12%) and expected sustained growth year 6 and forward of 0% to 1.5%. When discount rates are determined, consideration is given to the risk-free interest rate with risk premium for the relevant country as well as business specific risk. For SCM France, recoverable amount is significantly higher than the carrying amount. For SCM Spain, recoverable amount exceeds the carrying amount by approximately NOK 1,600 million and for Schibsted Norge (subscription based newspapers and related operations) by approximately NOK 100 million. See Note 3 Use of estimates for sensitivity related to recoverable amount for SCM Spain and Schibsted Norge.

## NOTE 12 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

	Buildings and land	Investment properties	Plant and machinery	Equipment, furniture and similar assets	Total
<b>1.1 – 31.12.2014</b>					
Net carrying amount 1.1.2014	526	68	460	445	1,499
Additions	3	-	87	340	430
Additions on purchase of businesses	-	-	-	2	2
Disposals	(274)	-	-	(10)	(284)
Disposals on sale of businesses	13	-	-	(15)	(2)
Reclassification	-	-	(4)	6	2
Depreciation	(21)	-	(88)	(153)	(262)
Impairment loss	-	(1)	(104)	-	(105)
Translation differences	-	-	-	7	7
<b>Net carrying amount 31.12.2014</b>	<b>247</b>	<b>67</b>	<b>351</b>	<b>622</b>	<b>1,287</b>
<b>As at 31.12.2014</b>					
Cost	434	68	2,079	1,505	4,086
Accumulated depreciation and impairment loss	(187)	(1)	(1,728)	(883)	(2,799)
<b>Net carrying amount</b>	<b>247</b>	<b>67</b>	<b>351</b>	<b>622</b>	<b>1,287</b>
<b>1.1 – 31.12.2013 – Restated</b>					
Net carrying amount 1.1.2013	823	68	584	364	1,839
Additions	7	-	69	234	310
Additions on purchase of businesses	-	-	-	2	2
Disposals	(204)	-	-	(9)	(213)
Disposals on sale of businesses	(71)	-	(90)	(6)	(167)
Reclassification	-	-	-	(23)	(23)
Depreciation	(31)	-	(107)	(130)	(268)
Impairment loss	-	-	-	(3)	(3)
Translation differences	2	-	4	16	22
<b>Net carrying amount 31.12.2013</b>	<b>526</b>	<b>68</b>	<b>460</b>	<b>445</b>	<b>1,499</b>
<b>As at 31.12.2013 – Restated</b>					
Cost	756	68	2,030	1,311	4,165
Accumulated depreciation and impairment loss	(230)	-	(1,570)	(866)	(2,666)
<b>Net carrying amount</b>	<b>526</b>	<b>68</b>	<b>460</b>	<b>445</b>	<b>1,499</b>

Investment properties and property, plant and equipment, excluding land, are depreciated on a straight line basis over their estimated useful lives. Depreciation schedules reflect the assets' residual value. Items of property, plant and equipment where material components can be identified with different useful lives are depreciated over the individual component's expected useful life.

Depreciation is calculated over the estimated useful lives: Buildings (25-50 years), Plant and machinery (5-20 years), Equipment, furniture and similar assets (3-10 years). The depreciation method, expected useful life and any residual value are reviewed annually.

#### Investment property

Schibsted has two properties classified as investment properties as at 31.12.2014. The properties are a separable and unused property reserve in Stavanger with a carrying amount of NOK 63 million and a commercial building in Farsund with a book value of NOK 4 million. Valuations from real estate agents are obtained and the fair values as at 31.12.2014 are not expected to deviate significantly from the carrying amount.

#### Lease agreements

Property, plant and equipment include assets owned under financial lease agreements. These assets have a cost of NOK 23 million in 2014 and NOK 23 million in 2013, and a carrying amount of NOK 7 million in 2014 and NOK 9 million in 2013. Depreciation amounts to NOK 2 million for 2014 and NOK 2 million for 2013.

Schibsted has lease obligations related to off-balance sheet operating assets, mainly office buildings. Rental expenses were NOK 474 million in 2014 and NOK 401 million in 2013 (restated). The most significant leases relate to the leases of Aftenposten's premises at Biskop Gunnerus gate 14A in Oslo (the agreement expires in 2019), Schibsted Sverige's premises in Västra Järnvägsgatan 21 in Stockholm (the agreement expires 2020), VG's premises at Akersgata 55 (the agreement expires in 2023) and Schibsted Norge's premises in Sandakerveien 121 (the agreement expires in 2025). The most significant of the Group's leases contains a right to an extension.

#### Future minimum payments under non-cancellable operational leases where Schibsted is the lessee are as follows:

	2014	Restated 2013
Within one year	469	432
Between one and five years	1,637	1,455
More than five years	1,061	1,146

NOK 22 million is recognised as sublease payments related to the Group's operating leases in 2014 and NOK 20 million in 2013. Expected future minimum lease payments for non-cancellable subleases are NOK 136 million as at 31.12.2014 and NOK 6 million as at 31.12.2013.

Schibsted's rental income related to operating leases for office premises was NOK 14 million in 2014 and NOK 17 million in 2013.

#### Future minimum payments under non-cancellable operating leases where Schibsted is the lessor are as follows:

	2014	2013
Within one year	6	13
Between one and five years	7	10
More than five years	1	1

## NOTE 13 INVESTMENTS IN JOINT VENTURES AND ASSOCIATED COMPANIES

All investments held by Schibsted in joint arrangements are classified as joint ventures. All joint ventures and associated companies are accounted for using the equity method.

**The development in carrying amount of investments in joint ventures and associated companies is as follows:**

	2014			2013 Restated		
	Joint ventures	Associated companies	Total	Joint ventures	Associated companies	Total
Carrying amount 1.1	(4)	549	545	146	488	634
Additions	638	152	790	61	75	136
Diluted capital increase	-	-	-	175	-	175
Disposals	(1)	-	(1)	(10)	(9)	(19)
Transition to / from subsidiary	(4)	(10)	(14)	(75)	(22)	(97)
Transition to / from joint venture / associated companies	(1)	1	-	(165)	165	-
Share of profit or loss	(649)	(192)	(841)	(136)	13	(123)
Share of other comprehensive income	-	(42)	(42)	-	-	-
Gain (loss)	-	1	1	-	(6)	(6)
Impairment loss	-	-	-	-	(130)	(130)
Dividends received	-	(36)	(36)	(3)	(56)	(59)
Translation differences	(16)	6	(10)	12	21	33
Other changes	20	26	46	(9)	10	1
<b>Carrying amount 31.12</b>	<b>(17)</b>	<b>455</b>	<b>438</b>	<b>(4)</b>	<b>549</b>	<b>545</b>
Of which presented in Investments in joint ventures and associated companies	92	455	547	105	549	654
Of which presented in Other current liabilities	(90)	-	(90)	(99)	-	(99)
Of which presented as a reduction of Other non-current assets	(19)	-	(19)	(10)	-	(10)

Additions comprise mainly share of capital increases in joint ventures with losses.

Losses recognised in excess of the investment in ordinary shares are applied to other long-term interests such as long term receivables that, in substance, form part of the net investment in that joint venture or associated company.

After the net interest is reduced to zero, additional losses are provided for, and a provision recognised, to the extent that legal or constructive obligations are incurred on behalf of the joint venture or associated company.

**The carrying amount of investments in joint ventures and associated companies comprise the following investments:**

	2014			2013 Restated		
	Interest held	Joint ventures	Associated companies	Interest held	Joint ventures	Associated companies
SnT Classifieds	50%	(90)	-	50%	(99)	-
20 Minutes France	50%	31	-	50%	32	-
SCM Austria	50%	(4)	-	50%	(2)	-
Hasznaltauto	-	-	-	50%	67	-
SCM Switzerland	50%	(15)	-	50%	(8)	-
SCM Morocco	50%	57	-	-	-	-
Polaris Media ASA	29%	-	213	29%	-	209
701 Search Pte. Ltd.	33.33%	-	35	33.33%	-	154
Pret d'Union	18.30%	-	63	15%	-	40
TT Nyhetsbyrån	30%	-	38	28.14%	-	40
Finderly GmbH	49.99%	-	35	38.68%	-	19
Metro Nordic Sweden AB	35%	-	16	35%	-	20
Other investments		4	55		6	67
<b>Carrying amount 31.12</b>		<b>(17)</b>	<b>455</b>		<b>(4)</b>	<b>549</b>

Schibsted operates its investments in online classifieds marketplaces through subsidiaries, joint ventures and associates. SnT is a joint venture with operating marketplaces in Brazil, Chile, Bangladesh, Pakistan and Thailand. SnT's operations in Argentina were sold in August 2014. 20 Minutes France is a joint venture that operates mediahouse with free newspaper in France. Polaris is a Norwegian media group that operates local and regional media houses. 701 is an associated company operating marketplaces in Malaysia, the Phillipines, Indonesia and Vietnam. Pret d'Union is an associated company operating "peer to peer" lending market in Continental Europe. TT Nyhetsbyrån is an associated company operating within news and pictures in Sweden. Finderly GmbH (Shpock) is an associated company operating mobil marketplaces in Germany and UK. Metro Nordic Sweden AB is an associated company operating free daily newspaper in Sweden.

The following table sets forth summarised financial information for material joint ventures as at 31.12.2014:

	SnT	Other	Total
<b>Interest held 31.12</b>	<b>50%</b>		
<b>Income statement and statement of comprehensive income:</b>			
Revenue			
Revenue	63		
Depreciation and amortisation	(2)		
Interest income	4		
Interest expense	(34)		
Taxes	-		
Profit or loss	(1,202)		
Other comprehensive income	-		
Total comprehensive income	(1,202)		
Share of Profit or loss	(601)	(48)	(649)
Share of other comprehensive income	-		
<b>Share of total comprehensive income</b>	<b>(601)</b>	<b>(48)</b>	<b>(649)</b>
Dividends received	-		
<b>Balance sheet:</b>			
Cash and cash equivalents	59		
Other current assets	173		
Non current assets	96		
Current financial liabilities (excluding trade payables)	430		
Other current liabilities	60		
Non-current financial liabilities (excluding trade payables)	43		
Other non-current liabilities	-		
Net assets	(205)		
Share of net assets	(103)		
Goodwill	13		
<b>Carrying amount 31.12</b>	<b>(90)</b>	<b>73</b>	<b>(17)</b>
Fair value (if there is a quoted market)	n/a		

The following table sets forth summarised financial information for material joint ventures as at 31.12.2013:

	SnT	701 Search Pte Ltd	Other	Total
<b>Interest held 31.12</b>	<b>50%</b>	<b>33%</b>		
<b>Income statement and statement of comprehensive income:</b>				
Revenue				
Revenue	6	41		
Depreciation and amortisation	-	(2)		
Interest income	-	-		
Interest expense	-	-		
Taxes	-	-		
Profit or loss	(65)	(176)		
Other comprehensive income	-	-		
Total comprehensive income	(65)	(176)		
Share of Profit or loss	(33)	(88)	(15)	(136)
Share of other comprehensive income	-	-		
<b>Share of total comprehensive income</b>	<b>(33)</b>	<b>(88)</b>	<b>(15)</b>	<b>(136)</b>
Dividends received	-	-		
<b>Balance sheet:</b>				
Cash and cash equivalents	3	-		
Other current assets	71	-		
Non current assets	12	-		
Current financial liabilities (excluding trade payables)	270	-		
Other current liabilities	13	-		
Non-current financial liabilities (excluding trade payables)	21	-		
Other non-current liabilities	-	-		
Net assets	(219)	-		
Share of net assets	(109)	-		
Goodwill	10	-		
<b>Carrying amount 31.12</b>	<b>(99)</b>	<b>-</b>	<b>95</b>	<b>(4)</b>
Fair value (if there is a quoted market)	n/a	n/a		

701 Search Pte. Ltd transitioned from joint venture (50% interest) to associate company (33% interest) in December 2013. The first 11 months of 2013 are therefore reported in table for joint ventures. The last month of 2013 is reported in the table for associated companies.

**The following table sets forth summarised financial information for material associated companies as at 31.12.2014:**

	701 Search Pte Ltd	Polaris Media ASA	Other	Total
<b>Interest held 31.12</b>	<b>33%</b>	<b>29%</b>		
<b>Income statement and statement of comprehensive income:</b>				
Revenue	59	1,659		
Profit or loss	(523)	107		
Other comprehensive income	-	(100)		
Total comprehensive income	(523)	7		
Share of Profit or loss	(174)	31	(49)	(192)
Share of other comprehensive income	-	(29)	(13)	(42)
<b>Share of total comprehensive income</b>	<b>(174)</b>	<b>2</b>	<b>(62)</b>	<b>(234)</b>
Dividends received	-	(25)	(11)	(36)
<b>Balance sheet:</b>				
Current assets	281	395		
Non current assets	12	1,165		
Current liabilities	185	433		
Non-current liabilities	3	585		
Net assets	105	542		
Share of net assets	35	149		
Goodwill	-	63		
<b>Carrying amount 31.12</b>	<b>35</b>	<b>212</b>	<b>208</b>	<b>455</b>
Fair value (if there is a quoted market)	n/a	298		

**The following table sets forth summarised financial information for material associated companies as at 31.12.2013:**

	701 Search Pte Ltd	Polaris Media ASA	Other	Total
<b>Interest held 31.12</b>	<b>33%</b>	<b>29%</b>		
<b>Income statement and statement of comprehensive income:</b>				
Revenue	4	1,745		
Profit or loss	(36)	48		
Other comprehensive income	-	-		
Total comprehensive income	(36)	48		
Share of Profit or loss	(12)	14	11	13
Share of other comprehensive income	-	-		
<b>Share of total comprehensive income</b>	<b>(12)</b>	<b>14</b>	<b>11</b>	<b>13</b>
Dividends received	-	(25)	(31)	(56)
<b>Balance sheet:</b>				
Current assets	571	363		
Non current assets	16	1,176		
Current liabilities	125	466		
Non-current liabilities	-	544		
Net assets	462	529		
Share of net assets	154	145		
Goodwill	-	64		
<b>Carrying amount 31.12</b>	<b>154</b>	<b>209</b>	<b>186</b>	<b>549</b>
Fair value (if there is a quoted market)	n/a	362		

## NOTE 14 FINANCIAL ASSETS

**The development in carrying amount of investments categorised as financial assets available for sale is as follows:**

	2014	Restated 2013
As at 1.1	17	19
Additions	-	2
Disposals due to loss of control of subsidiary	-	(4)
<b>As at 31.12</b>	<b>17</b>	<b>17</b>
Of which non-current financial assets	17	17
Of which current financial assets	-	-

**Financial assets consist of:**

	2014	Restated 2013
Shares unlisted	17	17
<b>Total financial assets</b>	<b>17</b>	<b>17</b>

## NOTE 15 OTHER NON- CURRENT ASSETS

**Other non-current assets consist of:**

	2014	Restated 2013
Loans to joint ventures and associated companies	31	29
Prepaid expenses	6	5
Other receivables	69	151
<b>Total</b>	<b>106</b>	<b>185</b>

There are no significant differences between the fair value and the carrying value of loans to joint ventures and associated companies and other receivables as the interest calculation is based on a market rate.

## NOTE 16 INVENTORIES

**Inventories consist of:**

	2014	Restated 2013
Books and other inventories	37	30
Newsprint purchased	19	21
<b>Total</b>	<b>56</b>	<b>51</b>

There was no write-down of inventories to net realisable value in 2014 or 2013.

Inventories carried at fair value less costs of sales were NOK 29 million as at 31.12.2014 and NOK 28 million as at 31.12.2013.

## NOTE 17 TRADE AND OTHER RECEIVABLES

**Trade receivables and other receivables consist of:**

	2014	Restated 2013
Trade receivables	1,836	1,865
Less provision for impairment of trade receivables	(73)	(85)
<b>Trade receivables (net)</b>	<b>1,763</b>	<b>1,780</b>
Prepaid expenses and accrued revenue	315	309
Income tax receivables	111	142
Loans to joint ventures and associated companies	22	32
Financial assets at fair value through profit or loss (note 10)	-	2
Other receivables	586	249
<b>Total</b>	<b>2,797</b>	<b>2,514</b>

The carrying amount of trade and other receivables is considered to represent a reasonable approximation of fair value.

Schibsted has received claims from Swedish tax authorities for repayment of value added tax for previous years of SEK 295 million. The basis for those claims is a decision in the EU-court in 2010 stating that certain printing services shall have a VAT-rate of 6%, not 25%. Two verdicts in The Supreme Administrative Court in Sweden issued 26 February 2014 related to similar cases, implies that the Swedish tax authorities will be entitled to claim repayment of value added taxes for previous years provided that Schibsted will be able to have similar amounts refunded from the supplier of printing services. Schibsted is of the opinion that the Group's financial exposure is very limited. In the 2014 financial

statements the repayment of SEK 295 million is recognized as asset in other receivables and the similar amount is recognized in other liabilities, see note 24 Other current liabilities.

The maximum exposure to credit risk at the reporting date for trade and other receivables is the carrying value of the receivables. In some group entities credit insurance and other agreements are obtained. Carrying value of trade receivables with security is NOK 138 million as at 31.12.2014.

**Movements in the Group's provision for impairment of trade receivables are as follows:**

	2014	Restated 2013
As at 1.1	(85)	(80)
Provision for impairment	(36)	(37)
Receivables written off as uncollectible	38	14
Unused amounts reversed	13	15
Disposal on sale of group companies	-	2
Translation differences	(3)	1
<b>As at 31.12</b>	<b>(73)</b>	<b>(85)</b>

As at 31.12.2014 trade receivables of NOK 88 million were impaired. The amount of the provision was NOK 73 million. As at 31.12.2013 trade receivables of NOK 121 million were impaired and the provision was NOK 85 million.

**The aging of impaired trade receivables is as follows:**

	2014	Restated 2013
Not due*	14	35
Up to 45 days	8	23
More than 45 days	66	63
<b>Total</b>	<b>88</b>	<b>121</b>

\* Also includes provisions not individualised

As at 31.12.2014 trade receivables of NOK 597 million were past due but not impaired, compared to NOK 512 million as at 31.12.2013. These receivables relate to a number of independent customers in different locations.

**The aging of the past due, not impaired trade receivables, is as follows:**

	2014	Restated 2013
Up to 45 days	421	363
More than 45 days	176	149
<b>Total</b>	<b>597</b>	<b>512</b>

## NOTE 18 CASH AND CASH EQUIVALENTS

	2014	Restated 2013
Cash and cash equivalents	745	1,202

**The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:**

	2014	Restated 2013
NOK	293	623
SEK	124	393
EUR	298	157
Other	30	29
<b>Total</b>	<b>745</b>	<b>1,202</b>

Carrying amount of cash and bank deposits is considered to represent a reasonable approximation of fair value. Schibsted has a multi-currency cash pool with Danske Bank in which almost all the Nordic subsidiaries are included. The cash pool has been established to optimise liquidity management for Schibsted.

The Group has an overdraft facility under the cash pool system of NOK 400 million. At the end of 2014 this facility was not drawn.

Excess liquidity is mainly placed in the cash pool or in the short-term money market. The bank deposits of subsidiaries outside the Nordic countries are deposited at local banks.

The deposit and borrowing interest rates in Danske Bank are based on Ibor rates for each currency with a subtraction or addition of a margin. The Ibor rates are fixed daily in the market. A cross-currency netting of margins is established for the currencies in the cash pool.

Other bank deposits are credited interests based on the bank's daily deposit rates in each country.

Of the Group's cash and cash equivalents, NOK 18 million are considered to be restricted as at 31.12.2014. Payroll withholding tax is not included in restricted cash as the Group has provided a tax guarantee instead.

## NOTE 19 NUMBER OF SHARES

The development in share capital and other paid-in equity is set out in the Consolidated statement of changes in equity. The development in the number of issued and outstanding shares is as follows:

	Number of shares 2014			Number of shares 2013		
	Outstanding	Treasury shares	Issued	Outstanding	Treasury shares	Issued
As at 1.1	107,348,540	655,075	108,003,615	107,104,460	899,155	108,003,615
Decrease in treasury shares	72,857	(72,857)	-	244,080	(244,080)	-
<b>As at 31.12</b>	<b>107,421,397</b>	<b>582,218</b>	<b>108,003,615</b>	<b>107,348,540</b>	<b>655,075</b>	<b>108,003,615</b>

The Group's share capital consists of 108,003,615 shares of NOK 1 par value. No shareholder may own or vote at a shareholders' meeting for more than 30% of the shares.

The Annual Shareholders' Meeting has given the Board authorisation to acquire treasury shares up to 10,800,361 shares (10%). The authorisation was renewed at the Annual Shareholders' Meeting on 7 May 2014 for a period until the Annual Shareholders' Meeting in 2015. At the Annual Shareholders' Meeting on 8 May 2015 the Board will present a resolution to extend the authorisation for the Board to purchase and dispose of up to 10% of the share capital in Schibsted ASA according to the Norwegian public limited liability companies act under the conditions evident from the notice of the Annual Shareholders' Meeting.

In connection with exercise of share options under an earlier option programme for key employees, Schibsted has during 2014 sold 4,211 treasury shares for a total consideration of NOK 0.2 million.

Schibsted has in April and June 2014 transferred a total of 45,112 treasury shares to key managers in connection with a performance-based share purchase programme. Fair value of treasury shares transferred were NOK 6.6 million.

In 2014, 23,534 treasury shares were sold in connection with offers to the Group's employees to purchase shares. The total consideration was NOK 7.8 million.

In connection with exercise of share options under an earlier option programme for key employees, Schibsted has during 2013 sold 131,880 treasury shares for a total consideration of NOK 19 million.

Schibsted has in May and June 2013 transferred a total of 100,363 treasury shares at NOK 246.60 to key managers in connection with a performance-based share purchase programme. Total value consideration was NOK 25 million.

In December 2013, 11,837 treasury shares at NOK 389.30 were sold in connection with an offer to the Group's employees to purchase shares at a discounted price of NOK 311.44. The total consideration was NOK 4 million.

As at 31.12.2014 Schibsted held 582,218 treasury shares.

During the first quarter of 2015 the company has reduced its number of treasury shares by 10,902 in connection with the Employee saving plan. The holding as at 24 March 2015 was 571,316 shares.

## NOTE 20 DIVIDENDS

At Schibsted's Annual Shareholders' Meeting on 8 May 2015 a dividend of NOK 3.50 per share will be proposed (total NOK 376 million). No provision for this dividend has been recognised in the Group's balance sheet as at 31.12.2014.

In 2014 dividends of NOK 3.50 per share were paid (total NOK 376 million).

## NOTE 21 PENSION PLANS

Schibsted has occupational pension plans in several countries established partly as defined benefit plans (in Norway), partly as multi-employer defined benefit plans accounted for as defined contribution plans (in Norway and Sweden) and partly as defined contribution plans (in Norway, Sweden and other countries).

Schibsted has its occupational pension plans for its employees in Norwegian companies with Storebrand Livsforsikring AS. These pension plans meet the requirements of the Act on Mandatory occupational pensions applicable to Norwegian companies. Schibsted is entitled to make changes to those pension plans. A significant part of the existing funded defined benefit plans are closed.

The terms of the funded defined benefit plans are mainly uniform. The benefits are mainly dependent upon number of years of employment, salary level at retirement age and the amount of benefits from the National Insurance pension. The majority of the funded defined benefit plans comprise retirement pension for life from 67 years and full retirement pension amounts to approximately 66% of the basis (limited to 12G (the social security base amount)) including assumed pension from the National Insurance pension (based on calculated National Insurance pension). Some of the plans include spouse pension, child pension and disability pension.

As at 31.12.2014 the funded defined benefit plans in Norway covered approximately 1,700 working members and approximately 1,850 retirees. Estimated contributions in 2015 to the above mentioned funded defined benefit plans amount to approximately 130 million. Future contributions will be dependent on the accumulation period for each member's pension rights according to the principle of linear accumulation.

The terms related to contributions to defined contribution plans in Norway are mainly uniform, and for most companies the contribution amounts to 5% of salaries within the interval from 1G to 6G and 8% in the interval from 6G to 12G. The plans include disability pension.

In addition to the pension obligations that arises from the funded defined benefit plans, the Group's Norwegian companies have unfunded defined benefit obligations related to disability pensions (if not covered by other pension plans or insurances), supplementary pensions for salaries above 12G, Agreement-based pension (AFP) and early retirement pensions.

The Group's companies outside Norway have pension plans, mainly defined contribution plans, in accordance with local practice and local legislation.

The Group has certain pension schemes in Norway and Sweden established in multi-employer plans. These multi-employer plans are defined benefit plans, but the Group does not have access to the necessary information for the accounting years 2014 and 2013 required to account for these plans as defined benefit plans, and the plans are therefore accounted for as defined contribution plans.

**The amounts recognised in profit or loss and in comprehensive income are as follows:**

	2014	Restated 2013
Current service cost	134	127
Past service cost and gains and losses arising from settlements	16	16
Net interest on the net defined benefit liability (asset)	34	25
Remeasurements of the net defined benefit liability	804	300
<b>Net pension expense defined benefit plans</b>	<b>988</b>	<b>468</b>
Pension expense defined contribution plans	160	142
Pension expense multi-employer defined benefit plans accounted for as defined contribution plans	74	59
<b>Net pension expense</b>	<b>1,222</b>	<b>669</b>
Of which included in Profit or loss		
– Personnel expenses (note 27)	372	324
Of which included in Profit or loss		
– Other income and expenses	12	20
Of which included in Profit or loss		
– Financial expenses (note 29)	34	25
Of which included in Other comprehensive income – Remeasurements of defined pension liabilities	804	300

Past service cost comprise restructuring costs in the form of pensions as well as the effect of plan amendments.

**The amounts recognised in the balance sheet are as follows:**

	2014	2013
Present value of funded defined benefit obligations	4,044	3,305
Fair value of plan assets	(3,176)	(3,054)
Present value of unfunded defined benefit obligations	1,043	863
<b>Net pension liability</b>	<b>1,911</b>	<b>1,114</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 27 years.

**Changes in net pension liability, present value of defined benefit obligations and plan assets are as follows:**

	2014			2013		
	Net pension liability	Defined benefit obligations	Plan assets	Net pension liability	Defined benefit obligations	Plan assets
As at 1.1	1,114	4,168	3,054	909	3,856	2,947
Current service cost	134	133	(1)	127	127	-
Past service cost and gains and losses arising from settlements	16	16	-	16	11	(5)
Interest income and expense	34	161	127	25	140	115
Remeasurements	804	829	25	300	264	(36)
Contributions to the plan	(85)	3	88	(147)	-	147
Payments from the plan	(82)	(199)	(117)	(84)	(198)	(114)
Business combinations and disposals	-	-	-	(10)	(10)	-
Social security costs	(24)	(24)	-	(22)	(22)	-
<b>As at 31.12</b>	<b>1,911</b>	<b>5,087</b>	<b>3,176</b>	<b>1,114</b>	<b>4,168</b>	<b>3,054</b>

Contributions to the plan includes NOK 3 million (NOK 4 million) of contributions from plan participants.

**Remeasurements of defined benefit pension obligations include:**

	2014	2013
Actuarial gains and losses arising from changes in demographic assumptions	-	426
Actuarial gains and losses arising from changes in financial assumptions	936	26
Other remeasurements (experience adjustments)	(107)	(188)
<b>Remeasurements of defined benefit pension obligations</b>	<b>829</b>	<b>264</b>

**Remeasurements of fair value of plan assets include:**

	2014	2013
Return on plan assets, excluding amounts included in interest	86	78
Cost of managing plan assets	(17)	(13)
Other remeasurements (experience adjustments)	(44)	(101)
<b>Remeasurements of fair value of plan assets</b>	<b>25</b>	<b>(36)</b>

**The fair value of plan assets is disaggregated by class as follows:**

	2014	Quoted in active markets	Unquoted	2013	Quoted in active markets	Unquoted
Global equities	5.2%	100%	-	10.0%	100%	-
Norwegian equities	1.5%	100%	-	2.0%	100%	-
Private equity	2.6%	-	100%	3.3%	-	100%
Alternative investments	2.5%	-	100%	3.1%	-	100%
Real estate	8.7%	-	100%	11.3%	-	100%
Bonds	10.6%	95%	5%	4.2%	95%	5%
Corporate bonds	24.0%	80%	20%	39.8%	80%	20%
Bonds – loans & receivables	45.9%	80%	20%	-	-	-
Money market / other	(1.0%)	100%	-	26.3%	100%	-
<b>Total</b>	<b>100.0%</b>			<b>100.0%</b>		

The actual return on plan assets (value-adjusted return on relevant portfolio of assets) was approximately 6.6% in 2014 and approximately 5.3% in 2013.

The plan assets were transferred to a new portfolio as per 1 January 2014. The risk profiles of the portfolios are similar but the new portfolio has a different allocation between classes of interest-bearing investments.

**Significant actuarial assumptions used to determine the present value of the defined benefit obligation is as follows:**

	2014	2013
Discount rate	2.30%	4.10%
Future salary increases	2.75%	3.75%
Future increase in the social security base amount	2.50%	3.50%
Future pension increases	0.00%	0.60%

Schibsted determines the discount rate by reference to high quality corporate bonds. Schibsted has concluded that a deep market exists for covered bonds ("OMF-obligasjoner") in Norway and that this interest rate therefore shall be used as reference under IAS 19 Employee benefits. The assumption regarding expected pension increases is used for pensions being increased in accordance with the Act on Company pensions. For pension agreements containing specific clauses on increases in pension, those clauses are applied.

Changes in financial assumptions in 2014 resulted in an increase in defined benefit pension liabilities of NOK 936 million which is recognised in Other comprehensive income as a component of the net amount of NOK 804 million in the line item Remeasurements of defined benefit pension liabilities.

Following recent years' declining mortality rate and rising life expectancy in Norway, a new mortality table for collective pension insurance was made public in 2013 and Schibsted implemented the new table (K2013) in 2013. The resulting increase in defined benefit pension liabilities of NOK 426 million was recognised in Other comprehensive income as a component of the net amount of NOK 300 million in the line item Remeasurements of defined benefit pension liabilities.

**Sensitivity analysis, indicating increase (decrease) in present value of defined benefit pension liabilities, for significant actuarial assumptions is as follows:**

	2014	2013
Discount rate		
– increase 0,5 percentage points	(394)	(299)
Discount rate		
– decrease 0,5 percentage points	453	339
Future salary increases		
– increase 0,5 percentage points	233	186
Future salary increases		
– decrease 0,5 percentage points	(224)	(172)
Future increase in social security base amount – increase 0,5 percentage points	(108)	(82)
Future increase in social security base amount – decrease 0,5 percentage points	100	77
Future pension increases		
– increase 0,5 percentage points	316	236
Future pension increases		
– decrease 0,5 percentage points	(34)	(216)

Any increases or decreases in present value of defined benefit pension liabilities from changes in actuarial assumptions are recognised in other comprehensive income.

## NOTE 22 INTEREST-BEARING BORROWINGS

**The Group has the following composition and maturity structure on its interest-bearing borrowings:**

	Current		Non-current	
	2014	Restated 2013	2014	2013
Bond issues	400	-	1,800	1,600
Bank loans	294	235	317	368
Financial lease agreements	2	2	1	3
Other loans	-	109	14	-
<b>Total</b>	<b>696</b>	<b>346</b>	<b>2,132</b>	<b>1,971</b>
Maturity within 3 months	271	209	-	-
Maturity between 3 months and 1 year	430	142	-	-
Maturity between 1 and 2 years	-	-	275	457
Maturity between 2 and 5 years	-	-	868	805
Maturity beyond 5 years	-	-	1,000	713
<b>Total</b>	<b>701</b>	<b>351</b>	<b>2,143</b>	<b>1,975</b>

Schibsted has issued two bonds with fixed interests, but due to interest rate swap agreements almost all of the Group's non-current interest-bearing borrowings are at floating interest rates in practice. For information on interest rate risk, see note 9 Financial risk management. The interest rate periods relating to the Group's borrowings are between one and six months.

Schibsted has a loan portfolio with a diversified maturity profile. For the portfolio of bonds and floating rate notes, there is a difference of NOK (142) million between the book value and the market value (based on tax value as at 31.12.2014). This is partly compensated by existing interest rate swap agreements, see note 9 Financial risk management. The current terms of the Group's other interest-bearing borrowings as at 31.12.2014 have been reviewed and compared to the market pricing at year-end, and the carrying amount is considered to represent a reasonable approximation to fair value.

**Carrying amount in NOK million of interest-bearing borrowings breaks down as follows by currency:**

	2014	Restated 2013
NOK	2,330	1,785
EUR	498	423
Other	-	109
<b>Total</b>	<b>2,828</b>	<b>2,317</b>

In the second quarter, Schibsted ASA issued a floating rate note of NOK 600 million and the total amount of bonds and floating rate notes issued are NOK 2,200 million as at 31.12.2014:

Loan	Amount	Interest rate
ISIN N00010593262 (2010–2015)	400	FRN: Nibor 3 months + 205 bps
ISIN N00010637176 (2012–2017)	500	FRN: Nibor 3 months + 215 bps
ISIN N00010637275 (2012–2019)	300	5.9%
ISIN N00010667843 (2012–2022)	250	5.4%
ISIN N00010667850 (2012–2022)	150	FRN: Nibor 3 months + 250 bps
ISIN N00010710569 (2014–2021)	600	FRN: Nibor 3 months + 110 bps

The bonds with fixed interest rate, and the floating rate note maturing in 2022 have been swapped to floating interest rate, Nibor 6 months with addition of a margin.

In addition, cross currency swap agreements have been entered into to match the payments of some of the bonds and floating rate notes, see note 9 Financial risk management.

The Group has a bank loan of EUR 25 million. This loan was entered into in January 2011 and expires in January 2016. There are no installments before maturity date. The interest terms on the loan are based on Euribor with the addition of a margin.

The Group has a bank loan of NOK 121 million. The loan has a term of 12 years from 2007 and the interest terms are six month Nibor with the addition of a margin. The loan has a repayment schedule with installments twice a year.

The Group has a short-term bank loan with maturity in January 2015. The loan amounted to EUR 30 million as at 31.12.2014.

A new long-term revolving credit facility of EUR 300 million was signed in July. The facility has a term of five year plus two extension options each of one year. Final maturity will therefore be in 2019, 2020 or 2021. The new facility replaced a facility of EUR 325 million and at the end of 2014 Schibsted has two long-term revolving credit facilities of in total EUR 425 million. None of the facilities were drawn as of year-end 2014. For both facilities the lenders consists of seven Nordic and international banks. The facilities have interest terms based on Euribor with the addition of a margin. Schibsted must pay a commitment fee to maintain the facilities' availability. The commitment fee is calculated as a percentage of the loan margin, on the undrawn part of the facilities. As at 31.12.2014, Schibsted has available long-term revolving credit facilities totalling NOK 3,841 million through the unutilised drawing right on the loan facilities of in total EUR 425 million.

Schibsted's loan agreements contain financial covenants regarding the ratio of net interest-bearing debt (NIBD) to gross operating profit (EBITDA). The reported ratio was well within the financial covenants as at 31.12.2014. See note 9 Financial risk management – Liquidity risk.

The Group has provided guarantees of NOK 7 million. The Group has no mortgage debt.

## NOTE 23 OTHER NON-CURRENT LIABILITIES

**Other non-current liabilities consist of:**

	2014	Restated 2013
Financial liabilities related to non-controlling interests' put options (note 25)	584	162
Financial derivatives (note 10)	140	-
Contingent considerations business combinations (note 25)	94	169
Other non-current employment benefits	58	35
Provision for restructuring costs	51	13
Provision for other obligations	19	14
Other non-current liabilities	24	20
<b>Total other non-current liabilities</b>	<b>970</b>	<b>413</b>

## NOTE 24 OTHER CURRENT LIABILITIES

**Other current liabilities consist of:**

	2014	Restated 2013
Financial liabilities related to non-controlling interests' put options (note 25)	123	213
Contingent considerations business combinations (note 25)	25	-
Trade payables	778	688
Prepaid revenues	795	755
Public duties payable	614	605
Accrued salaries and other current employment benefits	648	608
Accrued expenses	425	416
Provision for restructuring costs	198	167
Other liabilities	718	474
<b>Total other current liabilities</b>	<b>4,324</b>	<b>3,926</b>

The Group has no other significant liabilities with an uncertain payment date.

Provision for restructuring costs as at 31.12.2014 is pertaining to accrued restructuring cost in the Scandinavian companies.

Schibsted has received claims from Swedish tax authorities for repayment of value added tax for previous years of SEK 295 million. The basis for those claims is a decision in the EU-court in 2010 stating that certain printing services shall have a VAT-rate of 6%, not 25%. Two verdicts in The Supreme Administrative Court in Sweden issued 26 February 2014 related to similar cases, implies that the Swedish tax authorities will be entitled to claim repayment of value added taxes for previous years provided that Schibsted will be able to have similar amounts refunded from the supplier of printing services. Schibsted is of the opinion that the Group's financial exposure is very limited. In the 2014 financial statements the repayment of SEK 295 million is recognized as liability in other liabilities and the similar amount is recognized in other receivables, see note 17 Trade and other receivables.

## NOTE 25 FINANCIAL LIABILITIES BUSINESS COMBINATIONS AND INCREASES IN OWNERSHIP INTERESTS

**Development in financial liabilities recognised related to non-controlling interests' put options and contingent considerations in business combinations is as follows:**

	Non-controlling interests' put options		Contingent considerations	
	2014	2013	2014	2013
As at 1.1	375	996	169	71
Additions	522	8	4	166
Settlement	(206)	(598)	-	(79)
Disposals	-	-	-	-
Change in fair value recognised in equity	(13)	(148)	-	-
Change in fair value recognised in profit or loss	-	-	(59)	-
Interest expenses	8	23	3	2
Translation differences	21	94	2	9
<b>As at 31.12</b>	<b>707</b>	<b>375</b>	<b>119</b>	<b>169</b>
Of which non-current (note 23)	584	162	94	169
Of which current (note 24)	123	213	25	-

**The maturity profile of the financial liabilities is as follows:**

	Non-controlling interests' put options		Contingent considerations	
Maturity within 1 year	123	213	25	-
Maturity between 1 and 2 years	536	110	90	36
Maturity between 2 and 5 years	48	52	4	133

When non-controlling interests have put options related to shares in subsidiaries and Schibsted is required to acquire such shares, a financial liability is recognised. Any liability resulting from a contingent consideration arrangement in a business combination is recognised as a financial liability as part of the consideration transferred in exchange for the acquiree.

The liabilities are measured at fair value which is based on the best estimate of future considerations. The estimates take into account the principles for determination of the consideration in the existing agreements. The estimates take further into account, when relevant, management's expectations regarding future economic development used in determining recoverable amount in impairment tests.

A liability related to non-controlling interests' put options is initially recognised directly in equity. Change in fair value of the liability, except for interest expenses, is also recognised directly in equity. In the consolidated statement of changes in equity, such amounts are included in the line item Changes in ownership of subsidiaries that do not result in loss of control.

Changes in the fair value of a liability related to contingent consideration arrangements are recognised in profit or loss.

The most significant liabilities related to non-controlling interests' put options as at 31.12.2014 are related to shareholdings in Schibsted Classified Media Spain S.L (Online classifieds) and Lets Deal AB (Schibsted Sverige media house).

Liabilities related to contingent consideration arrangements recognised as at 31.12.2014 are mainly related to the acquisition of Compricer AB (Schibsted Sverige media house).

## NOTE 26 RAW MATERIALS AND FINISHED GOODS

**Raw materials and finished goods consist of:**

	2014	Restated 2013
Newsprint, raw materials and purchased goods	691	844
TV / Film production expenses	-	71
Changes in inventories	5	(65)
<b>Total</b>	<b>696</b>	<b>850</b>

## NOTE 27 PERSONNEL EXPENSES AND SHARE-BASED PAYMENT

**Personnel expenses consist of:**

	2014	Restated 2013
Salaries and wages	4,082	3,936
Social security costs	914	853
Net pension expense (note 21)	372	324
Share-based payment	74	63
Other personnel expenses	122	138
<b>Total</b>	<b>5,564</b>	<b>5,314</b>
Number of man-years	6,946	6,573

**Details of salary, variable pay and other benefits provided to group management in 2014 (in NOK 1,000):**

Members of Group management:	Salary incl. holiday pay	Variable pay	LTI programme (earned 2014)	Other benefits	Pension expense	Loan outstanding
Rolv Erik Ryssdal	3,388	1,332	3,113	178	1,925	-
Trond Berger	2,692	1,134	2,382	223	1,400	800
Frode Eilertsen	2,353	988	1,375	28	281	-
Raoul Grünthal	3,335	782	2,534	-	939	-
Camilla Jarlsby	1,909	515	1,680	174	913	400
Didrik Munch	2,862	751	2,337	174	1,089	-
Lena K. Samuelsson	2,365	420	573	-	605	-
Terje Seljeseth	2,654	1,111	2,343	240	2,552	400

Loans to group management have no installments, and the interest rate is 1% lower than the government set benchmark interest rate.

**Details of salary, variable pay and other benefits provided to group management in 2013 (in NOK 1,000):**

Members of Group management:	Salary incl. holiday pay	Variable pay	LTI programme (earned 2013)	Other benefits	Pension expense	Loan outstanding
Rolv Erik Ryssdal	3,318	1,102	4,494	217	1,748	-
Trond Berger	2,636	950	2,990	245	1,242	798
Frode Eilertsen	1,530	604	808	13	196	-
Raoul Grünthal	3,504	402	2,528	30	940	-
Camilla Jarlsby	1,856	424	2,058	126	580	399
Didrik Munch	2,823	729	1,981	234	1,050	-
Lena K. Samuelsson	3,318	112	878	-	664	-
Terje Seljeseth	2,582	1,037	1,982	238	2,325	402
Sverre Munck	2,488	-	1,481	189	1,130	-
Gunnar Strömblad	1,285	424	395	5	170	-

Loans to group management have no installments, and the interest rate is 1% lower than the government set benchmark interest rate.

Sverre Munck was resigned from the group management 1 September 2013. Gunnar Strömblad was resigned from the group management 31 March 2013.

### Variable pay

Schibsted's CEO and other executive management participate in an annual variable pay programme that is linked to annual achievements of targets. The targets

are twofold and related to financial and non-financial targets. The criteria are part of a total evaluation. For the CEO the variable pay is limited to a maximum of six months' salary. For other executive management, the variable portion of salary varies from a maximum of three to six months' salary. The CEO and other executive directors also participate in Schibsted's three-year performance based share programme (LTI), linked to the three-year performance criteria.

#### **Termination payment schemes**

The CEO has termination payment equal to eighteen months salary in addition to the six-month period of notice. The other Group management and managers are normally entitled to termination payments equal to 6-18 months' salary, depending on the level of their position. Competition restrictions and curtailments will normally apply during the termination-pay period. The Chairman of the Board has no special remuneration scheme that applies if he resigns.

#### **Pension schemes**

The Group's CEO is entitled and, if Schibsted so requires, obliged to retire at the age of 62. His full annual early retirement pension is 66% of his pensionable earnings. The retirement pension solution means that, when he reaches 67 years of age, the CEO will receive a retirement pension for life which equals 66% of his fixed salary. He is entitled to a disability pension of 66% of his fixed salary. The spouse/cohabitant pension is 50% of his fixed salary and the child pension is 15% of his fixed salary.

The Norwegian executive directors are entitled and, if Schibsted so requires, obliged to retire at the age of 62 years. During the period leading up to the ordinary retirement age (67 years), they will receive a pension that is 66% of their fixed salary. Full annual retirement/disability pension for the Norwegian executive directors is 66% of their fixed salary. Other members of the group management have different pension schemes within the limit of benefits to the Norwegian executive directors. The executive directors based in Sweden have a defined benefit pension insurance on level with the Norwegian executive directors.

**Remuneration to the Board of Directors in 2014 (in NOK 1,000):**

	Board remuneration*	Committee remuneration	Board remu- neration from other group companies	Salary incl. holiday pay	Other benefits	Pension cost	Total remuneration
<b>Members of the Board and Committees:</b>							
Ole Jacob Sunde, chairman of the Board and the Compensation Committee	755	87	-	-	111	-	953
Eva Berneke, member of the Board and the Audit Committee	375	82	-	-	-	-	457
Tanya Cordrey, member of the Board from 07.05.2014	-	-	-	-	-	-	-
Arnaud de Puyfontaine, member of the Board and the Audit Committee from 07.05.2014	406	-	-	-	-	-	406
Christian Ringnes, member of the Board and the Audit Committee, chairman of the Audit Committee from 07.05.2014	318	82	-	-	33	-	433
Birger Steen, member of the Board from 07.05.2014	-	-	-	-	-	-	-
Eugénie van Wiechen, member of the Board and member of the Compensation Committee from 07.05.2014	425	-	-	-	-	-	425
Karl-Christian Agerup, member of the Board until 07.05.2014 and member of the Compensation Committee until 07.05.2014	325	57	32	-	-	-	414
Marie Ehrling, member of the Board until 07.05.2014 and Chairman of the Audit Committee until 07.05.2014	367	129	-	-	20	-	516
Anne-Lise Mørch von der Fehr, employee representative of the Board **	425	-	-	559	373	55	1,412
Jonas Fröberg, employee representative of the Board and member of the Compensation Committee **	375	57	-	484	-	103	1,019
Gunnar Kagge, employee representative of the Board **	318	-	-	769	10	85	1,182
Torbjörn Harald Ek, deputy employee representative of the Board **	-	-	-	686	-	104	790
Finn Våga, deputy employee representative of the Board **	-	16	-	1,023	13	47	1,099
John A. Rein, chairman of the Election Committee	-	176	-	-	-	-	176
Nils Bastiansen, member of the Election Committee	-	121	-	-	-	-	121
Gunn Wærsted, member of the Election Committee	-	121	-	-	-	-	121
<b>Total</b>	<b>4,089</b>	<b>928</b>	<b>32</b>	<b>3,521</b>	<b>560</b>	<b>394</b>	<b>9,524</b>

\* Board remunerations include compensation for travelling hours to directors who do not live in Oslo.

\*\* For employee representatives total remuneration includes salary and other benefits in their ordinary position.

**Auditor**

Fees to the Group's auditors for the fiscal year 2014 were as follows:

(NOK 1,000 excl. VAT)	Audit services	Other attestation services	Tax advisory services	Other non-audit services	Total
<b>Schibsted group</b>					
Ernst & Young	12,715	323	2,034	3,886	18,958
Other auditors	992	30	478	802	2,302
<b>Total</b>	<b>13,707</b>	<b>353</b>	<b>2,512</b>	<b>4,688</b>	<b>21,260</b>

**Schibsted ASA**

Ernst & Young	1,063	68	153	134	1,418
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**Share-based payment (included in personnel expenses) consists of:**

	2014	2013
<b>Expense LTI programme</b>	<b>74</b>	<b>63</b>
Of which is equity settled	27	29
Of which is cash settled	47	34

**Option programme**

Until 2010, Schibsted had an option programme for group management and key personnel. The programme was terminated in 2010 by the introduction of a new share-based programme (LTI programme), but the individual outstanding option schemes are still valid. The programme is accounted for as a share-based payment transaction settled in equity. Expenses and increase in equity are recognised over the service period of 3 and 4 years.

**The development in the number of options outstanding has been as follows:**

	2014	2013
Outstanding 1.1	60,000	202,500
Exercised	(16,377)	(90,701)
Expired and forfeited	(43,623)	(51,799)
<b>Outstanding 31.12</b>	<b>-</b>	<b>60,000</b>
Of which fully vested	-	60,000

Total exercise price for options exercised in 2014 was NOK 1 million (NOK 12 million). Fair value of the shares at the time of exercise was NOK 7 million (NOK 28 million).

**Options outstanding for managers included in the option programme are presented below:**

	Opening balance 1.1.2014	Exercised 2014	Expired and forfeited 2014	Closing balance 31.12.2014	Average maturity
Rolv Erik Ryssdal	30,000	(8,189)	(21,811)	-	-
Trond Berger	15,000	(4,094)	(10,906)	-	-
Raoul Grünthal	7,500	(2,047)	(5,453)	-	-
Camilla Jarlsby	7,500	(2,047)	(5,453)	-	-
<b>Total</b>	<b>60,000</b>	<b>(16,377)</b>	<b>(43,623)</b>	<b>-</b>	<b>-</b>

**Long-term incentive programme (LTI programme)**

In 2010, Schibsted introduced an annual rolling three-year performance-based share programme (LTI programme) for key managers in the Group. The programme was expanded in 2012 to include Online classified companies and management groups. The scheme includes a total of 91 participants in the 2012 programme, 100 participants in the 2013 programme and 119 participants in the 2014 programme.

The LTI programme is divided into four participating levels. Level 1 is for the CEO, level 2 for members of Group Management and level 3 and level 4 for key personnel in the Group, as well as the managers/management groups in key subsidiaries. For each level, participants are given a defined "Basic Amount" which is calculated as a percentage of salary. The Group Board has stipulated guidelines for the percentage to be allocated to the various participant levels in

order to ensure flexibility and mobility, while also taking into account individual pay differences and variations in the compensation schemes.

Between 11% and 33% of the Basic amount (the "Share Amount") is awarded at start in form of shares in Schibsted which cannot be sold during the three-year period. If a participant at level 1 or 2 leaves during the three years, the Share Amount shall be refunded. A similar restriction does not apply to participants in level 3 and level 4.

The rest, i.e. between 67% and 89% of the Basic amount ("Performance Amount"), is linked to three-year performance criteria. Performance criteria is performance measures that are compared to the three-year EBITA/EBITDA for the Group or participant's operations for level 1, 2 and 3. For level 4 the performance criteria is connected to the development of the market value of the companies during the vesting period compared to a predetermined hurdle. At the end of the three-year period, the participants receive settlement in Schibsted shares based on their goal achievement, and the number of shares is calculated based on the average price during the programme's three-year period. Level 1, 2 and 3 participants receive the full Performance Amount after three years. Level 4 participants receive 1/3 of the Performance Amount after three years and the remaining 2/3 after a one year lock-up period. The maximum settlement in each programme will depend on the target achievement during the period. If the minimum target is not achieved during the three-year period, only the Share Amount will be paid at the end of the three-year programme.

Upon payment of the Share Amount and Performance Amount, Schibsted is responsible for tax deduction on behalf of the participant so that only the net amount after tax is paid in Schibsted shares. The programme is therefore treated partly as a share-based payment transactions settled in cash (tax) and partly as share-based payment transactions settled in equity (net payment in form of shares). The expense related to the portion that is recognised as a share-based payment transaction settled in equity is recognised in equity, while the expense related to the portion that is treated as a share-based payment transaction settled in cash is recognised as a liability.

The expense and the increase in equity or liability are recognised over the vesting period of 3 or 4 years for the parts of the total compensation that contains a service condition throughout the three or four-year period. This applies to the Performance Amount and the part of Share Amount for level 1 and 2 that is recognised as a share-based payment transactions settled in equity. The remaining expense and increase in equity or liability are recognised immediately upon the start of the programme.

Performance Amounts will vary based on the degree of achievement of the performance criteria. Expenses to be recognised over the vesting period are estimated at the end of each reporting period based on the estimated fair value of the liability for transactions that are settled in cash and based on the number of equity instruments that is expected to vest for transactions settled in equity.

**Estimated total expense of the LTI programme's maturity (3 and 4 years):**

	2014 Programme	2013 Programme	2012 Programme
Value Share Amount at grant date	15	15	21
Value Performance Amount at grant date	63	54	54
Adjustment to Performance Amount	(4)	(1)	4
<b>Estimated total expense over the programme's maturity</b>	<b>74</b>	<b>68</b>	<b>79</b>

	2014 Programme	2013 Programme	2012 Programme	Total
Recognised in Personnel expense in 2012	-	-	32	
Recognised in Personnel expense in 2013	-	37	20	
Recognised in Personnel expense in 2014	28	19	27	<b>74</b>
To be recognised over the remaining vesting period	46	12	-	

In case a minimum performance target is reached, the estimated total expense for Performance Amount will be increased or decreased in a range of 50 percent. If not, the Performance Amount will be NOK 0.

**Assumptions used for calculating the value of the LTI programme:**

	2014 Programme	2013 Programme	2012 Programme
Dividends	3.50	3.50	3.11
Closing price used for bonus shares level 1, 2, 3 and 4 granted 30.6	344.00	246.60	186.50
Closing price used for bonus shares level 4 granted 13.12.12	-	-	238.10
Average price of the programme	346.66	315.77	273.48
Closing price 31.12	320.70	320.70	320.70
Risk-free interest rate	1.47%	1.28%	1.70%
Model	Monte Carlo	Monte Carlo	Monte Carlo

**Share programme**

Employees in the Group are given the opportunity four times a year to participate in the Employee Share Saving Plan (ESSP). The plan is to enable employees to take part in Schibsted's value creation by saving in the Schibsted share. All employees in a 50% employment position (or more) employed in a Schibsted majority owned company are eligible to participate.

The employee can save up to 5 percent, but a maximum of NOK 50,000 annually of their base gross salary through payroll deductions in order to purchase shares in Schibsted. The shares are bought quarterly on the employees behalf at market price.

Employees can freely sell their shares but will then give up the right to matching shares. After two years from the date of purchase, the employee will receive 1 free Schibsted share for every 2 Schibsted shares the employee have saved (matching shares).

## NOTE 28 OTHER OPERATING EXPENSES

**Other operating expenses consist of:**

	2014	Restated 2013
Distribution	1,020	1,053
Commissions	893	924
Rent, maintenance, office expenses and energy	636	656
PR, advertising and campaigns	1,367	1,607
Printing contracts	354	337
Editorial material	428	399
Professional fees	801	827
Travelling expenses	271	278
IT expenses	372	311
Other operating expenses	632	537
<b>Total</b>	<b>6,774</b>	<b>6,929</b>

## NOTE 29 FINANCIAL ITEMS

**Financial income and financial expenses consist of:**

	2014	Restated 2013
Interest income	41	46
Gain on sale of financial assets available for sale	5	3
Dividends received	-	1
Other financial income	-	1
<b>Total financial income</b>	<b>46</b>	<b>51</b>
Interest expenses	(144)	(163)
Net foreign exchange loss	(10)	(44)
Impairment loss financial assets available for sale	-	(3)
Other financial expenses	(20)	(26)
<b>Total financial expenses</b>	<b>(174)</b>	<b>(236)</b>

**Net foreign exchange loss consists of:**

	2014	2013
Net foreign exchange gain (loss) currency derivatives	(108)	(4)
Net foreign exchange gain (loss) other financial instruments	98	(40)
<b>Net foreign exchange loss</b>	<b>(10)</b>	<b>(44)</b>

Interest expenses includes NOK 34 million (NOK 25 million) related to pension liabilities, see note 21 Pension plans.

Schibsted hedges its currency exposure in SEK and EUR by using loans and derivatives, see note 9 Financial risk management. As a result of this, foreign exchange gain (loss) effects in the income statement will normally be limited. Net foreign exchange losses in 2014 and 2013 are primarily related to currency effects in the Group's businesses outside the eurozone.

Financial income and financial expenses include the following amounts of interest income and interest expenses related to financial assets and liabilities that are not included in the category financial assets or financial liabilities at fair value through profit or loss:

	2014	Restated 2013
Interest income	39	31
Interest expenses	(144)	(163)

## NOTE 30 TAXES

**The Group's income tax expense comprises the following:**

	2014	Restated 2013
Current income taxes	580	605
Deferred income taxes	(295)	(273)
<b>Taxes</b>	<b>285</b>	<b>332</b>
Of which recognised in profit or loss	509	453
Of which recognised in other comprehensive income	(224)	(121)

The Group's effective tax rate differs from the nominal tax rate in countries where the Group has operations. The relationship between tax expense and accounting profit (loss) before taxes is as follows:

	2014	Restated 2013
<b>Profit (loss) before taxes</b>	<b>382</b>	<b>1,490</b>
Estimated tax expense based on nominal tax rate in Norway	103	417
Tax effect share of profit (loss) of joint ventures and associated companies	227	34
Tax effect impairment loss goodwill	1	-
Tax effect impairment loss investments in associated companies	-	36
Tax effect gain from remeasurement of previously held equity interest in business combination achieved in stages	(11)	(1)
Tax effect other permanent differences	11	(226)
Change in unrecognised deferred tax assets	146	198
Effect of tax rate differential abroad	29	(3)
Effect of changes in tax rates	-	5
Effect of adjustments recognised related to prior periods	3	(7)
<b>Taxes recognised in profit or loss</b>	<b>509</b>	<b>453</b>

Permanent differences include, in addition to non-deductible operating expenses, tax-free dividends and gains (losses) on sale of shares as well as non-deductible impairment losses related to shares. Gain (loss) on sale of subsidiaries, joint ventures and associated companies are recognised in the line item other income and expenses, while gain (loss) on sale and impairment losses of financial assets available for sale are recognised in the line item financial income and expenses, respectively.

**The Group's net deferred tax liabilities (assets) are made up as follows:**

	2014	Restated 2013
Current items	(84)	(56)
Pension liabilities	(496)	(292)
Other non-current items	1,138	1,183
Unused tax losses	(814)	(646)
<b>Calculated net deferred tax liabilities (assets)</b>	<b>(256)</b>	<b>189</b>
Unrecognised deferred tax assets	603	430
<b>Net deferred tax liabilities (assets) recognised</b>	<b>347</b>	<b>619</b>
Of which deferred tax liabilities	760	736
Of which deferred tax assets	(413)	(117)

The Group's unused tax losses are related to operations in Norway, Sweden, Spain, Mexico and Brazil as well as other countries in which Schibsted Classified Media has established online classified operations. The majority of the tax losses can be carried forward for an unlimited period. Approximately 30% of the unused tax losses expire in the period until 2024.

**The development in the recognised net deferred tax liabilities (assets) is as follows:**

	2014	Restated 2013
As at 1.1	619	811
Change included in tax expenses	(295)	(273)
Change from purchase and sale of subsidiaries	7	13
Translation differences	16	68
<b>As at 31.12</b>	<b>347</b>	<b>619</b>

Deferred tax assets are recognised when it is likely that the benefit can be realised through expected future taxable profits. The Group's deferred tax assets recognised are mainly related to operations in Norway and Spain. The Group's unrecognised deferred tax assets are mainly related to foreign operations with recent tax losses where future taxable profits may not be available before unused tax losses expire.

Deferred tax liabilities and assets are offset for liabilities and assets in companies which are included in local tax groups.

## NOTE 31 EARNINGS PER SHARE

**Average number of shares outstanding (diluted) is calculated as follows:**

	2014	2013
Average number of shares outstanding	107,388,735	107,273,587
Adjustment for dilutive effect shares outstanding	10,590	54,623
<b>Average number of shares outstanding (diluted)</b>	<b>107,399,325</b>	<b>107,328,210</b>

The dilutive effect is calculated as the difference between the number of shares which can be acquired on exercise of outstanding options and the number of shares which could be acquired at fair value (calculated as the average price of the Schibsted share in the period) for the consideration which is to be paid for the shares which can be acquired based on outstanding options.

Earnings per share is calculated as profit (loss) attributable to owners of the parent divided by the average number of shares outstanding.

	2014	Restated 2013
Profit (loss) attributable to owners of the parent	(180)	1,011
Average number of shares outstanding	107,388,735	107,273,587
Earnings per share (NOK)	(1.67)	9.43

Diluted earnings per share is calculated as profit (loss) attributable to owners of the parent divided by the average number of shares outstanding, adjusted for the dilutive effect of all potential shares.

	2014	Restated 2013
Profit (loss) attributable to owners of the parent	(180)	1,011
Average number of shares outstanding (diluted)	107,399,325	107,328,210
Diluted earnings per share (NOK)	(1.67)	9.42

Earnings per share - adjusted is calculated as profit (loss) attributable to owners of the parent adjusted for items reported in the income statement as Other income and expenses and Impairment loss, adjusted for taxes and non-controlling interests. The number of shares included in the calculation is the same as the number for earnings per share and diluted earnings per share, as described above.

	2014	Restated 2013
Profit (loss) attributable to owners of the parent	(180)	1,011
Other income and expenses	(8)	(644)
Impairment loss	131	150
Tax and non-controlling effect of Other income and expenses and Impairment loss	(100)	(99)
<b>Profit (loss) attributable to owners of the parent - adjusted</b>	<b>(157)</b>	<b>418</b>
Average number of shares outstanding	107,388,735	107,273,587
Earnings per share - adjusted (NOK)	(1.46)	3.90
Average number of shares outstanding (diluted)	107,399,325	107,328,210
Diluted earnings per share - adjusted (NOK)	(1.46)	3.90

## NOTE 32 SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

**Interest and dividends included in the consolidated statement of cash flows are as follows:**

	2014	Restated 2013
<b>Cash flow from operating activities:</b>		
Interest paid	(92)	(107)
Interest received (note 29)	41	46
Dividends received (note 13 and 29)	36	60
<b>Cash flow from financing activities:</b>		
Dividends paid to owners of the parent	(376)	(375)
Dividends paid to non-controlling interests	(133)	(58)

Schibsted's consolidated statement of cash flows presents net payments and receipts on the acquisition and sale of subsidiaries.

**The liquidity effect of acquisitions consists of:**

	2014	Restated 2013
<b>Cash in acquired companies</b>		
Cash in acquired companies	23	37
Acquisition cost other current assets	5	35
Acquisition cost non-current assets	1,131	404
<b>Aggregate acquisition cost assets</b>	<b>1,159</b>	<b>476</b>
Equity and liabilities assumed	(19)	(72)
Contingent consideration paid	-	79
Contingent consideration deferred	(2)	(166)
<b>Gross purchase price</b>	<b>1,138</b>	<b>317</b>
Fair value of previously held equity interest (note 5)	(120)	(22)
Cash in acquired companies	(23)	(37)
Purchase price settled in other than cash and cash equivalents	(463)	-
<b>Acquisition of subsidiaries, net of cash acquired</b>	<b>532</b>	<b>258</b>

**The liquidity effect of sales consists of:**

	2014	Restated 2013
Cash in sold companies	9	59
Carrying amount other current assets	7	160
Carrying amount non-current assets	2	350
<b>Aggregate carrying amount assets</b>	<b>18</b>	<b>569</b>
Equity and liabilities transferred	(11)	(156)
Gain (loss)	11	554
<b>Gross sales price</b>	<b>18</b>	<b>967</b>
Cash in sold companies	(9)	(59)
<b>Proceeds from sale of subsidiaries, net of cash sold</b>	<b>9</b>	<b>908</b>

## NOTE 33 TRANSACTIONS WITH RELATED PARTIES

For remuneration to management, see note 27 Personnel expenses and sharebased payment.

Schibsted has relationships with joint ventures and associated companies, see note 13 Investments in joint ventures and associated companies. For loans to associated companies and joint ventures, see note 15 Other non-current assets and note 17 Trade and other receivables.

Christian Ringnes, member of the Board and the Audit Committee, controls the company from which Schibsted's subsidiary Eesti Meedia hires offices in Tallinn. In September 2013, Schibsted sold Eesti Meedia. The office rental amounted to NOK 5 million in the period prior to the sale in 2013.

## NOTE 34 SUBSIDIARIES

**The following subsidiaries were directly and indirectly owned as at 31.12.:**

Online classifieds	Location	2014	2013
Finn.no AS	Oslo	89.88%	89.88%
Bilanalyse AS *	Oslo	-	78.23%
Byttestrøm.no AS *	Oslo	-	95.95%
Eiendomsprofil AS	Bergen	40.58%	40.58%
Finn Eiendom AS	Oslo	79.56%	79.56%
Finn SMB AS	Oslo	89.88%	89.88%
Lendo AS	Oslo	89.88%	95.95%
Penger.no AS	Oslo	89.88%	92.92%
Personal Finance AS	Oslo	89.88%	-
Sentinel Software AS	Trondheim	78.23%	78.23%
Schibsted Classified Media AS	Oslo	100.00%	100.00%
Anuntis Chile, S.A.	Santiago de Chile	99.99%	99.99%
Anuntis Segundamano España SL *	Barcelona	-	100.00%
ASM Clasificados de México SA de CV	Mexico City	100.00%	100.00%
Bikhir IP AB	Stockholm	100.00%	-
Blocket AB	Stockholm	100.00%	100.00%
Blocket Wäxt AB	Stockholm	100.00%	100.00%
Byt Bil Nordic AB	Stockholm	100.00%	100.00%
CustoJusto Unipessoal, Lda	Lisbon	100.00%	100.00%
DoneDeal Ltd	Wexford	90.10%	50.09%
Dotadv S.r.l	Rome	100.00%	-
Editora Balcão Ltda	Rio de Janeiro	99.99%	99.99%
Editora Urbana Ltda	Bogotá	100.00%	100.00%
Használtató Informatikai Kft ***	Budapest	100.00%	-
Hebdo Mag Brazil Holdings BV	Amsterdam	100.00%	100.00%
Hebdo Mag Brazil Holdings Ltda	Rio de Janeiro	99.99%	99.99%
Infobras Spain S.L	Barcelona	76.23%	76.23%
Infojobs Brasil Atividades de Internet Ltda (previously Anuntis Brasil Actividades de Internet Ltda)	Sao Paulo	76.23%	76.23%
InfoJobs Italia S.r.l	Milan	74.00%	72.89%
InfoJobs S.A. *	Barcelona	-	98.50%
IT Competence Center S.L *	Barcelona	-	100.00%
Kapaza BV	Amsterdam	100.00%	100.00%
Kapaza! Belgium NV	Brussels	100.00%	100.00%
LBC France, SASU	Paris	100.00%	100.00%
OOO Schibsted Classified Media (previously Schibsted Classified Media LLC)	Minsk	100.00%	100.00%
Primerama S.L. *	Barcelona	-	100.00%
Schibsted Classified Media Hungary Kft	Budapest	100.00%	100.00%
Schibsted Classified Media Ireland Ltd	Dublin	100.00%	100.00%
Schibsted Classified Media Morocco SARL **	Casablanca	-	100.00%
Schibsted Classified Media NV	Amsterdam	100.00%	100.00%
Schibsted Classified Media Spain SL (previously Schibsted España S.L.)	Barcelona	90.00%	100.00%

Schibsted Développement SASU	Paris	100.00%	100.00%
Schibsted France SASU	Paris	100.00%	100.00%
Schibsted Ibérica S.L.	Madrid	100.00%	100.00%
SCM Growth Partner AB	Stockholm	100.00%	100.00%
SCM Hellas MEPE	Athens	100.00%	100.00%
SCM Local, SASU	Paris	100.00%	100.00%
SCM Northern Europe AB	Stockholm	100.00%	100.00%
SCM Servizi S.r.l.	Milan	100.00%	-
SCM Suomi Oy	Helsinki	100.00%	100.00%
SCM Ventures AB	Stockholm	100.00%	100.00%
SCM Ventures BV	Amsterdam	100.00%	100.00%
Sibmedia Interactive S.R.L.	Sibiu	95.00%	95.00%
StepStone AB *	Stockholm	-	100.00%
Subito.it S.r.l	Milan	100.00%	100.00%
Tripwell Sweden AB	Stockholm	100.00%	100.00%
<b>Schibsted Norge media house</b>		<b>Location</b>	<b>2014</b>
Schibsted Norge AS	Bergen	100.00%	100.00%
Aftenposten AS	Oslo	100.00%	100.00%
Aftenposten Mobil AS	Oslo	100.00%	100.00%
AS Farsund Aktiebogtrykkeri	Farsund	86.20%	86.20%
Askøyværingen AS	Askøy	100.00%	100.00%
Avisprodukter AS	Bergen	-	100.00%
Avisretur AS	Oslo	50.10%	50.10%
Bergens Ringen DA	Bergen	-	100.00%
Bergens Tidende AS	Bergen	100.00%	100.00%
BT Adrift1 AS	Bergen	100.00%	100.00%
BetaVest AS (previously BT Beta AS)	Bergen	100.00%	100.00%
BT Respons AS	Bergen	-	100.00%
Bydelsavisene Bergen AS **	Bergen	-	50.00%
Bygdnytt AS	Bergen	100.00%	100.00%
Distribution Innovation AS	Oslo	60.00%	60.00%
Duplo Media AS	Horten	70.00%	70.00%
E24 Dine Pengar AS	Oslo	100.00%	100.00%
Ebok.no AS	Oslo	97.57%	97.57%
Fanaposten AS **	Bergen	-	50.00%
Forlaget Strilen AS	Lindås	100.00%	100.00%
Fædrelandsvennen AS	Kristiansand	100.00%	100.00%
Husleie.no AS	Lillehammer	57.76%	-
Ilaks AS	Godvik	51.00%	-
Janaflaten 24 AS	Stavanger	100.00%	100.00%
Katapult Bøker AS	Oslo	100.00%	100.00%
Kickback AS	Oslo	57.57%	-
Kristiansand Avis AS	Kristiansand	100.00%	100.00%
Let's Deal AS	Oslo	74.20%	74.20%
Lindesnes AS	Mandal	100.00%	100.00%
Lokalavisene AS	Bergen	100.00%	100.00%
Lyderhorn Bydelsavis AS **	Bergen	-	50.00%
Media AS	Kristiansand	100.00%	100.00%

Mittanbud.no AS	Oslo	100.00%	100.00%
Nykirkebakken 2 AS	Stavanger	-	100.00%
Offshore.no AS	Bergen	100.00%	100.00%
Radio Sør AS	Kristiansand	100.00%	100.00%
Riks AS	Oslo	100.00%	100.00%
Schibsted Distribusjon AS	Oslo	100.00%	100.00%
Schibsted Distribusjon Vest AS	Sandnes	100.00%	100.00%
Schibsted Distribusjon Øst AS	Oslo	100.00%	100.00%
Schibsted Eiendom Vest AS	Stavanger	100.00%	100.00%
Schibsted Forlag AS	Oslo	100.00%	100.00%
Schibsted Förlag AB	Helsingborg	100.00%	100.00%
Schibsted Magasiner AS	Oslo	100.00%	100.00%
Schibsted Norge Annonseproduksjon AS	Kristiansand	100.00%	100.00%
Schibsted Norge Kundesenter AS	Fagernes	100.00%	100.00%
Schibsted Norge Salg AS	Oslo	100.00%	100.00%
Schibsted Tech Polska sp z.o.o	Krakow	100.00%	100.00%
Schibsted Trykk AS	Oslo	100.00%	100.00%
Schibsted Trykk Bergen AS	Godvik	100.00%	100.00%
Schibsted Trykk Flesland AS	Bergen	100.00%	100.00%
Schibsted Trykk Kristiansand AS	Kristiansand	100.00%	100.00%
Schibsted Trykk Oslo AS	Oslo	100.00%	100.00%
Schibsted Trykk Stavanger AS	Sandnes	100.00%	100.00%
Schibsted Vekst AS	Oslo	95.95%	95.95%
Schibsted Vekst Holding AS (previously Schibsted Vekst Hilleselskap 1 AS)	Oslo	95.95%	95.95%
Stavanger Aftenblad AS	Stavanger	100.00%	100.00%
Stokkamyrveien 30 AS	Stavanger	100.00%	100.00%
Strandgaten og Eilertsbakken Eiendomsselskap AS	Farsund	86.20%	86.20%
Sydvesten Lokalavis AS **	Bergen	-	50.00%
Søgne og Songdalen Budstikke AS	Søgne	97.14%	97.14%
Sørlandssamkjøringen AS	Mandal	62.00%	62.00%
Trafikkfondet AS	Oslo	100.00%	100.00%
TV Sør AS	Kristiansand	100.00%	100.00%
Tyggo AS *	Oslo	-	100.00%
Verdens Gang AS	Oslo	100.00%	100.00%
Vestnytt AS	Fjell	100.00%	100.00%
VG Mobil AS *	Oslo	-	100.00%
VGTV AS	Oslo	100.00%	100.00%
WoldCam AS	Stavanger	-	100.00%
Kaupang Konferanser AS (previously WR Start Up 62 AS)	Bergen	50.00%	50.00%
Åsane Tidende AS **	Bergen	-	50.00%

<b>Schibsted Sverige media house</b>	<b>Location</b>	<b>2014</b>	<b>2013</b>
Schibsted Sverige AB	Stockholm	100.00%	100.00%
A Perfect Guide Sales Scandinavia AB	Stockholm	84.50%	84.50%
A Perfect Guide Scandinavia AB	Stockholm	84.50%	84.50%
Aftonbladet Hierta AB	Stockholm	91.00%	91.00%
Aftonbladet Kolportage AB *	Stockholm	-	91.00%
Allt om Stockholm AB	Stockholm	100.00%	-
Beauty The You Way AB (previously The You Way AB)	Stockholm	91.00%	91.00%

Bokavård Sverige AB	Stockholm	51.00%	-
Compricer AB	Stockholm	100.00%	100.00%
Destinationpunktse AB	Stockholm	-	100.00%
E24 Näringsliv AB *	Stockholm	-	100.00%
European Factoring Exchange AB	Stockholm	74.97%	-
FlexiDrive Sverige AB	Stockholm	80.00%	80.00%
HB Svenska Dagbladets AB & Co	Stockholm	99.41%	99.41%
Hittapunktse AB	Stockholm	90.20%	90.20%
Klart Värdetjänster AB	Stockholm	100.00%	100.00%
Kundkraft i Sverige AB	Stockholm	100.00%	100.00%
Lendo AB	Stockholm	98.50%	98.50%
Lendo OY	Helsinki	98.50%	-
Lets deal AB	Stockholm	51.55%	51.55%
Mediateam Bemanning AB	Stockholm	51.00%	51.00%
Mini Media Sweden AB	Stockholm	51.00%	51.00%
Mobilio Sweden AB	Stockholm	85.00%	85.00%
Omnipunktse AB	Stockholm	100.00%	100.00%
Personal Finance Sverige AB	Stockholm	100.00%	100.00%
PGME Sverige AB	Stockholm	100.00%	100.00%
Plan 3 AB	Stockholm	100.00%	99.41%
Pricespy Ireland Ltd	Dublin	100.00%	-
PriceSpy Media Ltd	Manukau	100.00%	98.00%
Prisjakt Norge AB	Stockholm	100.00%	98.00%
Prisjakt Polen Sp z.o.o	Krakow	100.00%	98.00%
Prisjakt Sverige AB	Ängelholm	100.00%	98.00%
Rörlig Bild Sverige AB *	Stockholm	-	100.00%
Sandrew Metronome AB *	Stockholm	-	100.00%
Schibsted Centralen AB	Stockholm	100.00%	100.00%
Schibsted Media AB	Stockholm	100.00%	100.00%
Schibsted Personal Finance Bolån AB	Stockholm	100.00%	100.00%
Schibsted Sales and Inventory AB (previously Schibsted Sales AB)	Stockholm	100.00%	100.00%
Schibsted Sök AB *	Stockholm	-	100.00%
Schibsted Tillväxtmedier AB	Stockholm	100.00%	100.00%
Schibsted Tillväxtmedier Annonsförsäljning AB	Stockholm	100.00%	100.00%
Schibsted TM AB	Stockholm	100.00%	100.00%
Schibsted TM II AB	Stockholm	100.00%	100.00%
ServiceFinder Sverige AB	Stockholm	69.95%	69.95%
Suredo AB	Stockholm	98.50%	98.50%
Svenska Dagbladet Annons AB	Stockholm	99.41%	99.41%
Svenska Dagbladet Holding AB	Stockholm	99.41%	99.41%
Svenska Dagbladets AB	Stockholm	99.41%	99.41%
TVNU Sweden AB	Stockholm	100.00%	100.00%
Viktklubbpunktse AB	Stockholm	100.00%	-

Media Houses International	Location	2014	2013
20 Min Holding AG	Zurich	100.00%	100.00%
20 Min International B.V.	Rotterdam	100.00%	100.00%
20 Minutos España, S.L.	Madrid	100.00%	100.00%
Carrie & Serena S.L. *	Madrid	-	99.87%
Grupo 20 Minutos S.L.	Madrid	100.00%	99.87%

<b>Other</b>	<b>Location</b>	<b>2014</b>	<b>2013</b>
Streaming Media AS	Oslo	74.62%	72.82%
Aspiro AB	Malmö	56.67%	55.30%
Aspiro AS	Oslo	56.67%	55.30%
Aspiro Innovation AB	Malmö	56.67%	55.30%
Aspiro Søk AS	Oslo	56.67%	55.30%
Aspiro TV AS	Oslo	56.67%	55.30%
RADR Entertainment AB	Stockholm	56.67%	55.30%
Rubberduck Media Lab Inc	Carlsbad	56.67%	55.30%
SMS Opplysningen 1985 AS	Oslo	56.67%	55.30%
SMS Opplysningen 2100 AS	Oslo	56.67%	55.30%
TIDAL International AB	Malmö	56.67%	-
TIDAL US AB	Malmö	56.67%	-
WiMP Music AB	Malmö	56.67%	55.30%
WiMP Music ApS (previously WiMP ApS)	Copenhagen	56.67%	55.30%
WiMP Music AS	Oslo	56.67%	55.30%
WiMP Music GmbH	Berlin	56.67%	55.30%
WiMP Music SP. Z O.O.	Warsaw	56.67%	55.30%
WiMP Norway AS	Oslo	56.67%	55.30%
Tesked AB	Varberg	97.98%	97.98%
Mötesplatsen i Norden AB	Varberg	97.98%	97.98%
E24 International AB	Stockholm	100.00%	100.00%
Schibsted AG	Berlin	100.00%	100.00%
Schibsted Movie AS *	Oslo	-	100.00%
Schibsted Multimedia AS	Oslo	100.00%	100.00%
Schibsted Print Media AS	Oslo	100.00%	100.00%
<b>Headquarters</b>	<b>Location</b>	<b>2014</b>	<b>2013</b>
Schibsted Eiendom AS	Oslo	100.00%	100.00%
Schibsted ePayment AS	Oslo	100.00%	-
Schibsted Finans AS *	Oslo	-	100.00%
Schibsted IT AS	Oslo	100.00%	100.00%
Schibsted Media Group UK Ltd	London	100.00%	-
Schibsted Payment AS	Oslo	100.00%	100.00%

\* Merged with other companies in Schibsted group.

\*\* From subsidiary to joint venture.

\*\*\* From joint venture to subsidiary.

## NOTE 35 NON-CONTROLLING INTERESTS

Non-controlling interests (NCI) are related to the following subsidiaries:

Location	2014				2013			
	Non-controlling interest (%)	Profit (loss) attributable to NCI	Accumulated NCI	Dividends paid to NCI	Non-controlling interest (%)	Profit (loss) attributable to NCI	Accumulated NCI	Dividends paid to NCI
Finn Group	Oslo	10.12%	58	77	103	10.12%	59	128
Aftonbladet Hierta Group	Stockholm	9.00%	16	58	17	9.00%	17	62
Streaming Media Group	Oslo	25.38%	(26)	46	-	27.18%	(39)	48
Lets Deal AB	Stockholm	48.45%	15	15	3	48.45%	2	-
Other			(10)	34	10		(13)	23
<b>Total</b>			<b>53</b>	<b>230</b>	<b>133</b>		<b>26</b>	<b>261</b>
								<b>58</b>

Summarized financial information for subsidiaries with material non-controlling interests (NCI) are as followed:

	Finn Group	
	2014	2013
Cash and cash equivalents	736	1,170
Other current assets	167	211
Non-current assets excluding goodwill	145	152
Goodwill	306	306
<b>Total assets</b>	<b>1,354</b>	<b>1,839</b>
Current liabilities	504	418
Non-current liabilities	111	91
<b>Total liabilities</b>	<b>615</b>	<b>509</b>
Operating revenues	1,446	1,406
Gross operating profit (loss)	637	691
Profit (loss)	440	475
Comprehensive income	425	471
Net cash flow from operating activities	507	513
Net cash flow from investing activities	(147)	(51)
Net cash flow from financing activities	(794)	(280)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(434)</b>	<b>182</b>

# SCHIBSTED ASA INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2014	2013
<b>Operating revenues</b>	3	<b>71</b>	<b>49</b>
Personnel expenses	4	(152)	(145)
Depreciation and amortisation	5	(4)	(2)
Other operating expenses	6	(165)	(124)
<b>Operating profit (loss)</b>		<b>(250)</b>	<b>(222)</b>
Financial income	7	1,021	3,721
Financial expenses	7	(386)	(612)
<b>Net financial items</b>		<b>635</b>	<b>3,109</b>
<b>Profit (loss) before taxes</b>		<b>385</b>	<b>2,887</b>
Taxes	8	9	(83)
<b>Profit (loss)</b>		<b>394</b>	<b>2,804</b>

# SCHIBSTED ASA BALANCE SHEET AS AT 31 DECEMBER

(NOK million)	Note	2014	2013
<b>ASSETS</b>			
Deferred tax assets	8	110	58
Property, plant and equipment and licences	5	18	18
Investments in subsidiaries	9	15,607	14,975
Investments in associated companies	9	1,541	1,541
Investments in other shares	9	2	2
Other non-current assets	10	5,849	1,604
<b>Non-current assets</b>		<b>23,127</b>	<b>18,198</b>
Current assets	10	438	1,279
Cash and cash equivalents	11	164	7
<b>Current assets</b>		<b>602</b>	<b>1,286</b>
<b>Total assets</b>		<b>23,729</b>	<b>19,484</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		108	108
Treasury shares		(1)	(1)
Other paid-in capital		1,447	1,432
Retained earnings		10,191	9,848
<b>Equity</b>	13	<b>11,745</b>	<b>11,387</b>
Pension liabilities	14	249	203
Other non-current liabilities	15	3,396	2,795
<b>Non-current liabilities</b>		<b>3,645</b>	<b>2,998</b>
<b>Current liabilities</b>	15	<b>8,339</b>	<b>5,099</b>
<b>Total equity and liabilities</b>		<b>23,729</b>	<b>19,484</b>

Oslo, 24 March 2015  
Schibsted ASA's Board of Directors

  
Ole Jacob Sunde  
Chairman of the Board

  
Birger Steen

  
Arnaud de Puyfontaine

  
Tanya Cordrey

  
Christian Ringnes

  
Eva Berneke

  
Anne Lise von der Fehr

  
Gunnar Kagge

  
Jonas Fröberg

  
Eugénie Van Wiechen

  
Rolv Erik Ryssdal  
CEO

# SCHIBSTED ASA STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2014	2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit (loss) before taxes		385	2,887
Tax payable		-	(6)
Depreciation and amortisation	5	3	2
Impairment loss on shares	7	79	520
Gain on sale of non-current assets		-	(6)
Share-based payment		(6)	(3)
Group contributions included in financial income	7	(247)	(917)
Change in current assets		(1,322)	(16)
Change in current liabilities		(5,128)	757
Difference between pension cost and cash flow related to pension plans		11	8
Change in other accruals		-	1
<b>Net cash flow from operating activities</b>		<b>(6,225)</b>	<b>3,227</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of intangible assets and property, plant and equipment	5	(4)	(7)
Change in non-current assets	10	4,466	301
Acquisition of subsidiaries		-	(10,350)
Sale of shares		-	9
<b>Net cash flow from investing activities</b>		<b>4,462</b>	<b>(10,047)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Change in non-current interest-bearing borrowings	15	(2)	(301)
Change in current interest-bearing borrowings	15	750	7,292
Change in non-current accruals on obligations		1	1
Group contributions received (net)		921	152
Dividends paid	13	(376)	(375)
Purchase / sale of treasury shares		26	45
<b>Net cash flow from financing activities</b>		<b>1,320</b>	<b>6,814</b>
<b>Merger effect</b>		<b>600</b>	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>157</b>	<b>(6)</b>
Cash and cash equivalents as at 1.1		7	13
<b>Cash and cash equivalents as at 31.12</b>	11	<b>164</b>	<b>7</b>

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# NOTE 1 ACCOUNTING POLICIES

The financial statements of Schibsted ASA have been prepared in accordance with the provisions of the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway.

## Revenue recognition

Operating revenues are recognised when the goods are delivered or the service rendered.

## Classification

Assets and liabilities related to the normal operating cycle are classified as current assets and current liabilities. Receivables and liabilities not related to the normal operating cycle are classified as current if they are of a short-term nature, normally due within one year. Shares and other investments not intended for continued use or ownership are classified as current assets. Other assets and liabilities are classified as non-current.

## Shares

Shares are measured at cost and impairment loss is recognised if the carrying amount exceeds the recoverable amount. The impairment is reversed if the basis for the write-down is no longer present.

Group contributions received are included in financial income provided that the Group contribution received does not represent a repayment of capital invested. Group contributions that represent a repayment of capital invested are accounted for as a reduction in the cost of investments in subsidiaries. Net Group contributions payable (gross Group contributions less the associated tax effect) are included in the cost of investments in subsidiaries. Dividends from subsidiaries and associated companies are included in financial income.

Gain on intra-group sales of subsidiaries, in excess of retained earnings of the subsidiaries sold, is recognised as deferred income and classified as non-current liabilities.

## Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are measured at cost less accumulated depreciation, amortisation and impairment. Property, plant and equipment and intangible assets with limited economic lives are depreciated over the expected economic life. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net sales value and the present value of future cash flows expected to be generated. Impairment losses are reversed if the basis for the impairment is no longer present.

## Leases

Leases are classified as either finance leases or as operating leases. Leases that transfers substantially all the risks and rewards incidental to the asset are classified as finance leases. Other leases are classified as operating leases.

When Schibsted ASA is lessee in a finance lease, the leased asset and the liability related to the lease are recognised in the balance sheet. Depreciable leased assets

are depreciated systematically over the useful life of the asset. Lease payments are apportioned between interest expense and reduction of the liability.

Lease payments related to operating leases are recognised as expenses over the lease term.

## Foreign currency

Foreign currency monetary items are translated at the closing rate at the date of the balance sheet. Foreign currency gains and losses are reported in the income statement in the lines Financial income and Financial expenses respectively.

## Trade receivables

Trade receivables are measured at fair value including allowance for bad debt.

## Treasury shares

The cost of acquisition and proceeds from sale of treasury shares are offset against equity.

## Pension expense - Defined benefit plans

Schibsted ASA has chosen, in accordance with NRS 6, to use measurement and P&L classification rules according to IAS 19R – Employee Benefits.

Pension liabilities related to defined benefit plans are measured at the net present value of future pension benefits earned at the balance sheet date. Plan assets are measured at fair value.

As a result of the application of IAS 19R, the periods net interest expense is now calculated by applying the discount rate for the liability at beginning of period to the net liability. Net interest expense consists therefore of interest on the obligation and return on assets, both calculated using the discount rate.

Changes in net pension obligation as a result of premium payments and pension payments are taken into account. The difference between the actual and the recorded return on plan assets are recognised with final effect directly as other equity.

Current service cost and net interest income (expense) are recognised immediately. Current service cost is classified as payroll expenses in the income statement, while net interest income (expenses) are classified as financial items. Changes in value, both assets and liabilities are recorded with final effect directly as other equity.

Gains and losses on the curtailment or settlement of a defined benefit plan are recognised at the time the curtailment or settlement occurs.

A curtailment occurs when a company adopts a significant reduction in the number of employees covered by a plan or changes the terms of a defined benefit plan such that a significant part of future earnings to current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

Introduction of a new benefit plan or an improvement of the current plan will involve changes in the obligation. This is expensed on a straight line basis over the period until the effect of the change is retained. The introduction of new systems or changes to existing plans that have retroactive effect so that employees immediately have earned a paid-up policy (or change in paid-up policy) are recognised immediately.

Gains or losses on the curtailment or settlement of pension plans are recognized when they occur.

#### **Pension expense - Defined contribution plans**

For pension plans as defined as contribution plans, for accounting purposes, the contribution payable is recognized as pension cost.

#### **Share-based payment**

In equity settled share-based payment transactions with employees, the fair value of the employee services and the corresponding equity increase are measured by reference to the fair value of the equity instruments granted. The fair value of equity instruments granted is measured at grant date, and recognised as personnel expenses and equity increase immediately or over the vesting period when performance vesting conditions require an employee to serve over a specified time period.

The estimated number of equity instruments expected to vest are remeasured at each reporting date. The amount recognised as an expense is adjusted to reflect the number of equity instruments which are expected to be, or actually become vested.

In cash settled share-based payment transactions with employees, the employee services and the incurred liability are measured at the fair value of the liability. The employee services and the liability are recognised immediately or over the vesting period when performance vesting conditions require an employee to serve over a specified time period. Until the liability is settled, the fair value of the liability is revised at each balance sheet date and at settlement date, with changes in fair value recognised in profit or loss.

#### **Restructuring costs**

Restructuring costs are recognised in accordance with the matching principle and therefore expenses not related to revenues in future periods are charged to expense when incurred. Restructuring costs are incurred when a restructuring plan is approved and announced.

#### **Taxes**

Income taxes are calculated from the profit (loss) before tax and comprise taxes payable and the change in deferred taxes. Deferred tax assets and liabilities are calculated in accordance with the liability method without discounting and provided for all differences between the carrying amount in the balance sheet and the tax base of assets and liabilities, and for unused tax losses. Deferred tax assets are recognised only when it is expected that the benefit can be utilised through sufficient taxable profits from expected future earnings.

#### **Contingent liabilities**

Contingent liabilities are recognised when it is more probable than not that the liability will become effective. The best estimate of the amount to be paid is included in other provisions in the balance sheet. Other obligations, for which no liability is recognised, are disclosed in notes to the financial statements.

#### **Dividend**

The dividend for the financial year, as proposed by the Board of Directors, is recognised as a liability as at 31.12.

#### **Statement of cash flows**

The statement of cash flows is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

## **NOTE 2 MERGER**

To achieve a more rational organization of Schibsted there has, with effect from 1 January 2014, been a merger with the wholly owned subsidiary Schibsted Finans AS and the parent Schibsted ASA as the acquiring company.

The merger is conducted in accordance with the Act of "Allmenaksjeloven § 13-24", after a joint merger plan for the merger between subsidiary and parent company.

In accordance with the Act on NRS 9 point 6 the accounting of the merger is completed by the rules of group continuity. Assets and liabilities of the merged company will continue in the acquiring company with the values used in the consolidated financial statement of Schibsted. There are no differences between group values and company values.

In accordance with the Act on Taxation chapter 11 ("Skatteloven") the merger is completed by the rules of full tax continuity.

By the merger effective date at 5 December 2014, Schibsted ASA acquired Schibsted Finans' assets, rights and obligations as a whole without settlement, and Schibsted Finans dissolved. Total merger effect recognized in equity is NOK 345 million (Note 13 Equity). Comparative figures has not been restated.

## **NOTE 3 OPERATING REVENUES**

#### **Operating revenues consist of:**

	<b>2014</b>	<b>2013</b>
Operating revenues	71	49
<b>Total</b>	<b>71</b>	<b>49</b>

Operating revenues consist of consultant fees and income from lease of office premises, as well as fees for subsidiaries' participation in programmes for management and organisational development.

## NOTE 4 PERSONNEL EXPENSES AND MAN-YEARS

### Personnel expenses consist of:

	2014	2013
Salaries and wages	101	93
Social security costs	17	16
Net pension expense (note 14)	19	19
Other personnel expenses	5	6
Share-based payment	10	11
<b>Total</b>	<b>152</b>	<b>145</b>

The number of man-years, including trainees, was 94 in 2014. Note 27 Personnel expenses and share-based payment to the consolidated financial statements contains further information concerning auditor's fee and remuneration to management, including share-based payment.

## NOTE 5 PROPERTY, PLANT AND EQUIPMENT AND LICENCES

	Equipment, furniture, vehicles	Licences
Cost as at 1.1.2014	22	8
Additions	2	2
Disposals	-	-
<b>Cost as at 31.12.2014</b>	<b>24</b>	<b>10</b>

Accumulated depreciation and amortisation 1.1.2014	(11)	(1)
Accumulated depreciation on scrapped items	-	-
Depreciation and amortisation for the year	(3)	(1)
<b>Accumulated depreciation and amortisation 31.12.2014</b>	<b>(14)</b>	<b>(2)</b>

<b>Carrying amount 31.12.2014</b>	<b>10</b>	<b>8</b>
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Depreciation method	Straight line	Straight line
Depreciation period	3–10 years	3–5 years

The depreciation and amortisation for the year include depreciation of leasehold improvements of NOK 1 million. Operating lease payments of NOK 31 million are expensed in 2014 and consist mainly of leased computer technology amounted to 6 million and leased office premises amounted to 21 million with a remaining lease term of 4,5 years with an option to extend for another 3 years and 9 months.

## NOTE 6 OTHER OPERATING EXPENSES

### Other operating expenses consist of:

	2014	2013
Rent and maintenance (note 5)	31	26
Office and administrative expenses	25	23
Professional fees	67	41
Travel, meetings and marketing	42	34
<b>Total</b>	<b>165</b>	<b>124</b>

## NOTE 7 FINANCIAL ITEMS

### Financial income consists of:

	2014	2013
Interest income	29	140
Interest income group Cash-Pool (note 11)	165	-
Group contributions received	247	917
Dividends from subsidiaries	125	2,525
Dividends from associated companies	385	132
Gain on sale of shares	-	6
Foreign exchange gain (agio)	70	1
<b>Total</b>	<b>1,021</b>	<b>3,721</b>

Gain on sale of shares in 2013 is related to partly sale of Streaming Media AS of NOK 0.6 million and the liquidation of Scandix AB of NOK 5.7 million. Foreign exchange relates to bank accounts.

### Financial expenses consist of:

	2014	2013
Interest expenses	89	83
Interest expenses cash pool system (note 11)	82	-
Interest expenses on pension plans (note 14)	7	5
Impairment loss on shares	79	520
Foreign exchange loss (disagio) on financial derivatives	108	-
Other financial expenses	21	4
<b>Total</b>	<b>386</b>	<b>612</b>

Of interest expenses NOK 89 million, NOK 84 million relates to bond issues compared to NOK 83 million in 2013. The impairment losses on shares in 2014 relates to Schibsted Payment of NOK 21 million, Schibsted Eiendom AS of NOK 54 million and Schibsted IT AS of NOK 4 million. Impairment loss on shares in 2013 relates to Schibsted Print Media AS of NOK 380 million, Schibsted Movie AS of NOK 155 million and reversal of the impairment loss related to Streaming Media AS in 2012 of NOK 15 million. Other financial expenses in 2014 and 2013 relate primarily to financial instruments and bank charges.

## NOTE 8 TAXES

**Set out below is a specification of the difference between the profit before taxes and taxable income of the year:**

	2014	2013
Profit (loss) before taxes	385	2,887
Dividends and tax free group contributions received	(499)	(3,103)
Group contributions payable	(87)	(289)
Other permanent differences	75	506
Change in temporary differences	160	30
Effect of changes in accounting policy and unrecognised actuarial gain (loss) in the pension liability	(34)	(26)
<b>Taxable income</b>	<b>-</b>	<b>5</b>
Tax rate	27%	28%

**Taxes payable and taxes charged to expenses are calculated as:**

	2014	2013
Calculated taxes payable	-	1
Change in net deferred tax asset	(43)	(8)
Tax related to change in tax rate on deferred tax	-	2
Tax related to changes in accounting policy and unrecognised actuarial gain (loss) in the pension liability	9	7
Tax related to Group contributions payable	23	81
Previous years inadequate provision accrued tax	2	-
<b>Taxes</b>	<b>(9)</b>	<b>83</b>

**The net deferred tax asset consists of the following:**

	2014	2013
<b>Temporary differences related to:</b>		
Property, plant and equipment	(1)	(2)
Pension liabilities	(249)	(203)
Other current liabilities	(157)	(8)
<b>Total basis for deferred tax asset</b>	<b>(407)</b>	<b>(213)</b>
Tax rate	27%	28%
Net deferred tax liability (asset) with 27% tax, 28% tax	(110)	(60)
The effect on Net deferred tax liability (asset) related to change in tax rate from 28% to 27%	-	2
<b>Net deferred tax liability (asset)</b>	<b>(110)</b>	<b>(58)</b>

**Effective tax rate is a result of:**

	2014	2013
<b>Profit (loss) before taxes</b>	<b>385</b>	<b>2,887</b>
Tax charged based on nominal rate	104	808
Tax effect permanent differences	(115)	(727)
Tax related to change in tax rate from 28% to 27% on deferred tax	-	2
Previous years inadequate accrued tax	2	-
<b>Taxes</b>	<b>(9)</b>	<b>83</b>

## NOTE 9 INVESTMENTS IN SHARES

Shares in subsidiaries	Ownership % 31.12.2014	Location	Carrying amount 2014	Carrying amount 2013
Schibsted Norge AS	100.00	Bergen	3,649	3,649
Schibsted Eiendom AS	100.00	Oslo	155	190
Schibsted Finans AS	100.00	Oslo	-	392
Schibsted Movie AS	100.00	Oslo	-	60
Schibsted Multimedia AS	100.00	Oslo	11,373	10,285
Schibsted Print Media AS	100.00	Oslo	171	169
Schibsted Sverige AB	100.00	Stockholm	63	63
Schibsted IT AS	100.00	Oslo	-	2
Schibsted Payment AS	100.00	Oslo	5	10
Streaming Media AS	74.62	Oslo	191	155
<b>Total</b>			<b>15,607</b>	<b>14,975</b>

Group contributions payable to subsidiaries, NOK 63 million (net) is capitalised as part of investments in subsidiaries.

There has been a merger with the wholly owned subsidiary Schibsted Finans AS and the parent Schibsted ASA as the acquiring company. Total merger effect recognized in equity is NOK 345 million. (Note 2 Merger and note 13 Equity).

Shares in associated companies	Ownership % 31.12.2014	Location	Carrying amount	Equity	Profit (loss)
Finn.no AS	39.87	Oslo	1,413	635	406
Polaris Media ASA	28.99	Trondheim	127	568	102
Svanedamsveien 10 AS	25.00	Kristiansand	1	67	3
<b>Total</b>			<b>1,541</b>		

### Other shares

Schibsted Vekst AS	10.00	Oslo	2
Schibsted Tech Polska sp. z.o.o	1.00	Krakow	-
<b>Total</b>			<b>2</b>

Finn.no AS and Schibsted Vekst AS are also held by other Group companies and are therefore in the consolidated financial statements note 34 presented as subsidiaries.

The fair value of the shares in Polaris Media ASA is NOK 298 million as at 31 December 2014.

## NOTE 10 NON-CURRENT AND CURRENT ASSETS

### Non-current receivables consist of:

	2014	2013
Group companies liabilities in cash-pool (note 11)	5,836	-
Other receivables from Group companies	-	1,600
Other receivables	13	4
<b>Total</b>	<b>5,849</b>	<b>1,604</b>

Non-current receivables from Group companies in 2013 consist of loans to Schibsted Finans AS which now is merged with Schibsted ASA.

### Current assets consist of:

	2014	2013
Current receivables from Group companies	390	1,260
Other receivables	48	19
<b>Total</b>	<b>438</b>	<b>1,279</b>

## NOTE 11 CASH AND CASH EQUIVALENTS

After the merger with Schibsted Finans, Schibsted ASA has taken over the role as the ultimate parent of Schibsted multi-currency corporate cash-pool system in Danske Bank in which almost all the subsidiaries in the Nordic countries are included. The Corporate cash-pool system is established to contribute to an optimal liquidity management for Schibsted. Net assets in the cash-pool as at 31.12.2014 amounts to NOK 149 million of total bank deposits of NOK 164 million.

The corporate cash-pool system implies that Schibsted ASA has a facility account in Danske Bank. Schibsted ASA is the bank's contractual customer, and it is on the facility account that receivables or liabilities (funds or overdrafts) with the bank emerges. For each company Schibsted ASA associates to the facility account, the Danske Bank create one or more retail bank accounts with the individual associated company as account holder. Facility account and retail accounts together constitute the group account system. It is a prorata responsibility related to the cash pool arrangement.

Through the retail bank accounts money is transferred to/from the associated companies to/from the facility account. Each time a retail bank account receives money, it occurs in principle a claim on the owner of the facility account, and each time it is paid from a retail bank account arises debt to the owner of the facility account. Payments from retail account can only be made if it is deposited funds on the facility account.

The subsidiaries withdrawals and funds at retail accounts are classified as receivables and liabilities in Schibsted ASA's balance sheet. Liabilities are classified in their entirety as current. The classification of receivables as current or non-current depends on agreement with each subsidiary. As at 31 December 2014 the receivable is long-term in its entirety.

Of liability to group companies as at 31 December 2014 NOK 7 billion consists of funds in retail account (note 15), and receivables from group companies amounts to NOK 5.8 billion as withdrawals on retail account (note 10). Interest from receivables and liabilities are estimated with market terms.

See note 18 Cash and Cash equivalents to the consolidated financial statements.

## NOTE 12 SHAREHOLDER STRUCTURE

### The 20 largest shareholders as at 31 December 2014:

	Number of shares	Share in %
Blommenholm Industrier	28,188,589	26.1%
Folketrygdfondet	6,740,977	6.2%
NWT Media AS	4,000,000	3.7%
Goldman Sachs & Co – Equity, Security Client Segregation	3,506,377	3.2%
The Northern Trust company Ltd	3,000,000	2.8%
UBS AG, London Branch	2,656,007	2.5%
J.P.Morgan Chase Bank	2,602,283	2.4%
The Bank Of New York Mellon	2,281,938	2.1%
Montague Place Custody Services	2,102,397	1.9%
Clearstream Banking S.A	2,062,440	1.9%
J.P.Morgan Chase Bank	1,760,994	1.6%
Morgan Stanley & Co	1,736,424	1.6%
State Street Bank and Trust Co	1,709,628	1.6%
Citibank N.A	1,661,610	1.5%
State Street Bank and Trust Co.	1,448,669	1.3%
JP Morgan Clearing Co	1,417,881	1.3%
J.P.Morgan Chase Bank	1,376,988	1.3%
The Bank Of New York Mellon SA/NV	1,356,498	1.3%
JP Morgan Clearing Co	1,126,124	1.0%
The Northern Trust Co	1,059,877	1.0%
<b>Total 20 largest shareholders</b>	<b>71,795,701</b>	<b>66.3%</b>

The shareholderes are based on the public VPS list. For further information regarding the ownership, see the chapter Shareholder information in Schibsted's annual report.

### Number of shares owned by the Board of Directors and the Group Management:

	Number of shares
Ole Jacob Sunde	100,000
Eva Berneke	4,020
Christian Ringnes	40,000
Anne-Lise Mørch von Der Fehr	201
Gunnar Kagge	291
Rolv Erik Ryssdal	20,154
Trond Berger	12,542
Camilla Jarlsby	12,265
Raoul Grünthal	11,738
Terje Seljeseth	9,020
Didrik Munch	7,480
Lena K. Samuelsson	5,693
Frode Eilertsen	2,217
<b>Total Board of Directors and Group Management</b>	<b>225,621</b>

The total number of issued shares in Schibsted ASA was 108,003,615 and the number of shareholders was 4,399, as at 31 December 2014. Foreign ownership was 51.56% (52.1%). Schibsted ASA owned 582,218 treasury shares at 31 December 2014. The Annual Shareholders' Meeting gave the Board of Directors authorisation to acquire treasury shares up to 10,800,361 shares (10%). The authorisation was renewed at the Annual Shareholders' Meeting 7 May 2014 for a period until the Annual Shareholders' Meeting in 2015. At the Annual Shareholders' Meeting on 8 May 2015 the Board will present a resolution to extend the authorisation to the Board of Directors for the purchase and disposal of up to 10 percent of the share capital in Schibsted ASA in accordance with the Norwegian Public Limited Liability Companies Act based on the conditions presented in the notification to the Annual Shareholders' Meeting.

Ole Jacob Sunde, is also member of the Board in Blommenholm Industrier.

## NOTE 13 EQUITY

**The development in the company's equity in 2014 is as follows:**

	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Total
<b>Equity as at 31.12.2013</b>	<b>108</b>	<b>(1)</b>	<b>1,432</b>	<b>9,848</b>	<b>11,387</b>
Merger	-	-	-	345	345
Change in treasury shares	-	-	14	12	26
Share-based payment	-	-	1	(7)	(6)
Unrecognised actuarial gain (loss) in pension plans	-	-	-	(25)	(25)
Profit (loss)	-	-	-	394	394
Dividend	-	-	-	(376)	(376)
<b>Equity as at 31.12.2014</b>	<b>108</b>	<b>(1)</b>	<b>1,447</b>	<b>10,191</b>	<b>11,745</b>

Schibsted ASA's share capital consists of 108,003,615 shares of NOK 1 par value. The par value of treasury shares is presented on a separate line within Other paid-in capital with a negative amount.

No shareholder may own or vote at the Annual Shareholders' Meeting for more than 30 percent of the shares.

There has been a merger with the wholly owned subsidiary Schibsted Finans AS and the parent Schibsted ASA as the acquiring company. The merger was completed by accounting- and tax group continuity with effect from 1 January 2014. Restated figures are not calculated. Total merger effect recognized in equity is NOK 345 million (See note 2).

## NOTE 14 PENSION PLANS

The company is obliged to have an occupational pension scheme in accordance with the Act on Mandatory Company Pensions ("Lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of the Act.

As at 31 December 2014 the company's pension plan had 94 members. Note 21 Pension Plans to the consolidated financial statements contains further description of the pension plans and the principal assumptions applied.

Schibsted ASA has chosen, in accordance with NRS 6, to use measurement and P&L classification rules according to IAS 19R – Employee Benefits. As at 1 January 2013, Schibsted ASA applied IAS 19 Employee Benefits (June 2011) ("IAS 19R") and changed the basis for calculating the pension liability and costs. See Note 1 Accounting policies.

**Amounts recognised in profit or loss:**

	2014	2013
Current service cost	16	15
Net interest cost on pension liabilities	7	5
<b>Net pension expense</b>	<b>23</b>	<b>20</b>
Pension expense		
– defined contribution plans	3	3
Pension expense – new pension plan (APP)	-	1
<b>Net pension expense</b>	<b>26</b>	<b>24</b>
Pension expense recognised as		
Personnel expenses	19	19
Pension expense recognised as		
Financial expenses	7	5

**Amounts recognised in the balance sheet:**

	2014	2013
Present value of funded defined benefit obligations	65	63
Fair value of plan assets	(54)	(58)
<b>Present value (net of plan assets) of funded defined benefit obligations</b>	<b>11</b>	<b>5</b>
Present value of unfunded defined benefit obligations	238	198
<b>Pension liabilities</b>	<b>249</b>	<b>203</b>
Social security tax included in present value of defined benefit obligations	31	25

**Changes in pension liabilities:**

	2014	2013
As at 1.1	203	173
Net pension expense	23	20
Contributions / benefits paid	(11)	(12)
Unrecognised actuarial gain (loss) recognised in equity (incl. tax)	34	22
<b>As at 31.12</b>	<b>249</b>	<b>203</b>

**New measurement of defined benefit obligation includes:**

	2014	2013
Actuarial gains and losses arising from changes in demographic assumptions	-	21
Actuarial gains and losses arising from changes in financial assumptions	41	-
Other effects of remeasurement (experience deviation)	(7)	1
<b>Remeasurement of defined benefit obligations</b>	<b>34</b>	<b>22</b>

## NOTE 15 NON-CURRENT AND CURRENT LIABILITIES

**Non-current liabilities consist of:**

	2014	2013
Liabilities to credit institutions	320	-
Bond issues	1,800	1,600
Financial derivatives	82	-
Liabilities Group companies	-	2
Deferred income from sale of subsidiaries	1,184	1,184
Other liabilities	10	9
<b>Total</b>	<b>3,396</b>	<b>2,795</b>

**Current liabilities consist of:**

	2014	2013
Trade creditors	2	3
Public duties payable	11	12
Dividends accrued	376	376
Group companies receivables in cash-pool (note 11)	7,024	-
Current liabilities Group company (cash pool system) (note 11)	-	3,604
Liabilities to credit institutions	298	-
Bond issues	400	-
Financial derivatives	52	-
Financial derivatives, unrealized loss on forward contracts	6	-
Accrued interest	33	18
Current liabilities to Group companies	96	1,058
Taxes payable (note 8)	2	1
Other current liabilities	39	27
<b>Total</b>	<b>8,339</b>	<b>5,099</b>

Gain on intra-group sales of subsidiaries, in excess of retained earnings of the subsidiaries sold, are recognised as deferred income (note 7 Financial items).

Interest rate used on Group Companies' balance on retail accounts in the Cash Pool is estimated with market terms (note 11 Cash and cash equivalents).

**Financial risk**

Funding and control of refinancing risk is handled by Group treasury on the parent company level. Schibsted has a diversified loan portfolio both in terms of loan sources and maturity profile. The most important funding sources are the Norwegian bond market and banks.

For management of interest rate risk and currency risk, see note 9 Financial Risk Management and note 22 Interest-bearing Borrowings to the consolidated financial statements.

Schibsted ASA issued a floating rate note of NOK 600 million in second quarter and the total amount of bonds and floating rate notes issued are NOK 2,200 million as at 31.12.2014:

	Current		Non-current		
	2014	2013	2014	2013	Interest rate
ISIN N00010593262 (2010-2015)	400	-	-	400	FRN: Nibor 3 months + 205 bps
ISIN N00010637176 (2012-2017)	-	-	500	500	FRN: Nibor 3 months + 215 bps
ISIN N00010637275 (2012-2019)	-	-	300	300	5.9%
ISIN N00010667843 (2012-2022)	-	-	250	250	5.4%
ISIN N00010667850 (2012-2022)	-	-	150	150	FRN: Nibor 3 months + 250 bps
ISIN N00010710569 (2014-2021)	-	-	600	-	FRN: Nibor 3 months + 110 bps
<b>Total Bond issues</b>	<b>400</b>	-	<b>1,800</b>	<b>1,600</b>	

Den Norske Investeringsbank, NOK	27	-	94	-	FRN: Nibor 6 months + 50 bps
Eksportfinans 5Y EUR 25 mill.	-	-	226	-	FRN: Nibor 3 months + 43,75 bps
Skandinaviske Enskilda Bank, EUR 30 mill.	271	-	-	-	1,15%
<b>Total Liabilities to credit institutions</b>	<b>298</b>	-	<b>320</b>	-	

As at 31.12.2014 Schibsted has the following cross country swaps (carrying amounts), which mature in 2015–2017:

	Currency	Currency payment	NOK receive	Current liabilities	Non-current liabilities
Cross currency swap	EUR	35	300	Nibor 6 months + margin	20
Cross currency swap	EUR	38	315	Nibor 3 months + margin	-
Cross currency swap	EUR	50	405	Nibor 3 months + margin	-
Cross currency swap	SEK	450	400	Nibor 3 months + margin	32
Cross currency swap	SEK	200	185	Nibor 3 months + margin	-
<b>Total Derivatives</b>				<b>52</b>	<b>82</b>

The cross currency swap agreements are linked to bonds and floating rate notes and matches the payments completely during the contract period. The fair value of the agreements was NOK (136) million as at 31.12.2014. The agreements are accounted for as hedges. Unrealized loss on forward contracts is (6) million per 31.12.2014 and is presented as current liabilities.

Schibsted ASA has a bank loan of EUR 25 million. This loan was entered into in January 2011 and expires in January 2016. There are no installments before maturity date. The interest terms on the loan are based on Euribor with the addition of a margin.

Schibsted ASA has a bank loan of NOK 121 million. The loan has a term of 12 years from 2007 and the interest terms are six month Nibor with the addition of a margin. The loan has a repayment schedule with installments twice a year.

The Group has a short term bank loan with maturity in January 2015. The loan amounted to EUR 30 million as at 31.12.2014.

A new long term revolving credit facility of EUR 300 million was signed in July. The facility has a term of five year plus two extension options of one year. Final maturity will therefore be in 2019, 2020 or 2021. The new facility replaced a facility of EUR 325 million and at the end of 2014 Schibsted has two long term revolving credit facilities of totally EUR 425 million. None of the facilities were drawn as of year-end 2014. For both the facilities the lenders consists of seven Nordic and international banks. The facilities have interest terms based on Euribor with the addition of a margin. Schibsted must pay a commitment fee to maintain the facilities' availability. The commitment fee is calculated as a percentage of the loan margin, on the undrawn part of the facilities. As at 31.12.2014, Schibsted has available long-term revolving credit facilities totalling NOK 3,841 million through the unutilised drawing right on the loan facilities of totally EUR 425 million.

Schibsted's loan agreements contain financial covenants regarding the ratio of net interest-bearing debt (NIBD) to gross operating profit (EBITDA). The reported ratio was well within the financial covenants as at 31.12.2014. See note 9 Financial risk management – Liquidity risk to the consolidated financial statements.

## NOTE 16 GUARANTEES AND PROVISIONS OF SECURITY

	2014	2013
Guarantees for loans and drawing facilities on behalf of Group companies	4,686	5,346
Other guarantees on behalf of Group companies	288	279
Other guarantees	7	9
<b>Total</b>	<b>4,981</b>	<b>5,634</b>

NOK 0.4 billion of the total of NOK 4.7 billion of guarantees for loans and credit facilities were drawn at the end of 2014. At the end of 2013 a total of NOK 0.7 billion was drawn.

A guarantee of NOK 242 million to Danske Bank is included in Other guarantees on behalf of Group companies. The amount relates to guarantees for tax withholdings and other guarantees, as well as guarantees regarding subsidiaries' unsecured pension liabilities of NOK 47 million related to key management personnel.

Other guarantees include a guarantee of unfunded pension liabilities of NOK 4 million. In addition NOK 0.5 million pledged as security for trading on Nord Pool and Statnett SF, as well as Guarantees related to loans to employees in the Group of NOK 2.5 million. Note 27 Personnel expenses and share-based payment in the consolidated financial statements contains further information regarding loans to members of the Group management.

For significant lease agreements Schibsted ASA has issued parent company guarantee as security for payment of office rent.

## DECLARATION BY THE BOARD OF DIRECTORS AND CEO

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2014 has been prepared in accordance with applicable accounting standards and gives a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations, and that the Report of the Board of directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that they are facing.

Oslo, 24 March 2015

Schibsted ASA's Board of Directors

Ole Jacob Sunde

Chairman of the Board

Birger Steen

Tanya Cordrey

Eva Berneke

Christian Ringnes

Arnaud de Puyfontaine

Eugénie Van Wiechen

Gunnar Kagge

Anne Lise von der Fehr

Jonas Fröberg

Rolv Erik Ryssdal

CEO



Statsautoriserte revisorer  
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Medlemmer av den norske revisorforening

To the Annual Shareholders' Meeting of  
Schibsted ASA

## AUDITOR'S REPORT

### Report on the financial statements

We have audited the accompanying financial statements of Schibsted ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2014, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated balance sheet as at 31 December 2014, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

### *The Board of Directors' and Chief Executive Officer's responsibility for the financial statements*

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.



***Opinion on the financial statements of the Parent Company***

In our opinion, the financial statements of Schibsted ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

***Opinion on the financial statements of the Group***

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

**Report on other legal and regulatory requirements**

***Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility***

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

***Opinion on registration and documentation***

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 24 March 2015  
ERNST & YOUNG AS

Jan Egil Haga  
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)



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